Agenda Item No.8(a)

South Ayrshire Council

Report by Chief Financial Officer
to Cabinet
of 25 September 2024

Subject: Treasury Management and Investment Strategy Quarter 1 Update Report 2024/25

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1. Purpose

1.1 The purpose of this report is to provide Members with an update on the 2024/25 treasury prudential indicators for the period April-June 2024 (Quarter 1) and provide an update on the latest wider economic position.

2. Recommendation

2.1 It is recommended that the Cabinet:

2.1.1 notes the comments made by the Audit and Governance Panel of 4 September 2024 as outlined in 4.2 below; and

2.2.2 approves the Quarter 1 Update Report.

3. Background

3.1 The Council's Treasury Management and Investment Strategy for 2024/25, approved by Council in March 2024.

3.2 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned to meet expenditure commitments but also to invest surplus monies in low-risk counterparties (organisations with which the Council has a financial relationship in terms of borrowings or investments), providing adequate liquidity initially before considering optimising investment return.

3.3 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash will involve arranging long or short-term loans or using longer term cash flow surpluses. In addition, in certain interest rate environments debt previously drawn may be restructured to meet Council risk or cost objectives.

3.4 The Audit and Governance Panel of 4 September 2024 considered the Quarter 1 Update Report and agreed that it be remitted to the Cabinet for approval and requested that Cabinet consider comments made in relation to the increasing borrowing costs related to the capital investment programme, as described in 4.2 below.

4. Proposals

4.1 This Quarter 1 report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management and provides an update on Economic activity and Interest rates in Appendix 1 and Prudential and Treasury Indicators in Appendix 2.

4.2 In considering the Quarter 1 report, the Audit and Governance Panel raised concerns over the increasing borrowing costs arising from the currently approved capital investment programme. The Panel requested that, given the current financial climate, consideration should be given to scaling back the current programme to reduce future cost implications for the Council.

4.3 The change to accounting standards to IFRS16 for leasing arrangements requires that all leasing contracts are held on the balance sheet. This is the change from the previous accounting standard IAS17. The work has started to prepare for the transition for the reporting of this in the year end accounts 2024/25. This will mean that the Capital Financing Requirement figures (CFR) and the Operational Boundaries will increase to reflect the change in accounting policy. The financial impact of these changes will be reflected in the mid-year Treasury report 2024/25.

4.4 The Cabinet is requested to approve the contents of this report

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 ***General Services***

6.1.1 **Interest on Revenue Balances** –

The Council budgeted for investment income of £2.130m in 2024/25, based on an estimate of the average revenue balances held during the year. Budgeted at achieving an assumed interest rate return of 5.50% on these balances.

At June 2024 (Qtr1) the full year budgeted income is projected at £2.184m, a surplus of £0.054m. This surplus has arisen due to a higher than projected level of interest rates, therefore for a similar investment a greater return is being achieved.

6.1.2 **Capital Financing Costs** –

The budget for loan charges in 2024/25 is £17.610m, comprising £6.457m for loan principal, £10.979m for interest costs and £0.174m for loans fund expenses.

The current projection for loans charges to the General Fund is an over-spend of £1.23m in interest and expenses. This is offset by the projected surplus of income of £0.054m bringing an overall overspend of £1.18m.

This has arisen due to higher than projected interest rates and a subsequent reprofiling of external borrowing. This projected overspend will be monitored as the year progresses and borrowing will only be taken if required.

6.2 ***Housing Revenue Account (HRA)***

6.2.1 **Interest on Revenue Balances** –

The HRA budgeted for investment income of £0.240m in 2024/25, based on an estimate of the average revenue balances held during the year. Budgeted at achieving an assumed interest rate return of 5.50% on these balances.

At June 2024 (Qtr1) the full year estimate for investment income earned is £0.350m resulting in a surplus of £0.110m. Similar to General Services, a higher than anticipated interest rate has resulted in an over achievement of returns on investments.

6.2.2 **Capital Financing Costs** –

The budget for HRA loan charges in 2024/25 is £7.278m, comprising £2.443m for loan principal, £4.763m for interest costs and £0.072m for loans fund expenses.

The current projection for loans charges to the HRA is an under-spend of £0.022m in interest and expenses. This is in addition to the projected surplus of income of £0.110m bringing an overall underspend of £0.132m.

This underspend has resulted from greater than anticipated income from higher interest rates.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 ***Risk Implications of Adopting the Recommendations***

8.1.1 There are no risks associated with adopting the recommendations.

8.2 ***Risk Implications of Rejecting the Recommendations***

8.2.1 Should the recommendations be rejected, then the Council will not be in compliance with the CIPFA Code of Practice on Treasury Management.

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9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as Appendix 3.

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking

14.1 If the recommendations above are approved by Members, the Chief Financial Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

Implementation	Due date	Managed by
No further action required	Not applicable	Not applicable

Background Papers **CIPFA Code of Practice for Treasury Management in the Public Services**

Report to South Ayrshire Council of 6 March 2024 – Treasury Management and Investment Strategy 2024/25

Report to Audit and Governance Panel of 4 September 2024 - [Treasury Management and Investment Strategy Quarter 1 Update Report 2024/25]

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Date: 17 September 2024

Appendix 1

1. Economic Activity

- The first quarter of 2024/25 saw:
    - Gross Domestic Product (GDP) growth flatlining in April following positive Q4 2023/24 growth figures of 0.7% q/q.
    - A stalling in the downward trend in wage growth, with the headline 3myy rate staying at 5.9% in April.
    - Core Consumer Price Index (CPI) inflation falling from 2.3% in April to 2.0% in May.
    - CPI inflation decreasing from 3.9% in April to 3.5% in May.
    - The Bank of England holding rates at 5.25% in May and June.
    - 10-year gilt yields climbing to 4.35% in April, before closing out at 4.32% in May.
- The news that the economy grew by 0.7% q/q in Q4 2023/24 confirmed that it moved out of its very mild technical recession that prevailed at the back end of 2023. However, data released for April and May so far shows a slight stalling in the recovery, with GDP data for April coming out at 0.0% m/m, as inclement weather weighed on activity. Moreover, the fall in the composite Purchasing Manager Index output balance from 53.0 in May to 51.7 in June confirms tepid growth.
- On a more positive note, the 2.9% m/m increase in retail sales volumes in May more than reversed the 1.8% m/m drop in April as rainfall returned to seasonal norms. The strength was broad-based across the retail sector, including online, (+5.9% m/m) suggesting an underlying strengthening in sales beyond weather effects. With inflation falling back to target, Bank Rate likely to be reduced soon and with consumer confidence improving, retail sales may continue to strengthen.
- Stronger consumer spending, as low inflation allows households' real incomes to strengthen and the effect from higher interest costs fades, suggests that real consumption will strengthen substantially over the next two years. However, investment will only make a modest contribution to GDP growth. With the industrial sector still 12% smaller than in 2019, excess capacity will continue to cap the need for industrial firms to invest. But improving business sentiment should raise investment by services' firms. Further, a fall in mortgage rates should trigger a recovery in residential investment. Overall, strong consumer spending is likely to be the backbone of GDP growth, along with government consumption. Capital Economics forecast that following GDP growth of 1.0% in 2024, activity will continue to surprise to the upside with GDP growth of 1.5% for both 2025 and 2026 (consensus forecasts are 1.2% and 1.4% respectively).
- Nonetheless, the on-going elevated levels for wage growth in April will be a lingering concern for the Bank of England. The 3myy rate of average earnings growth stayed at 5.9% in April (consensus 5.7%), whilst the more timely 3m annualised rate rebounded from 5.9% to 9.3%. These higher levels partly reflected April's 9.8% increase in the minimum wage. This leaves the Bank of England's forecast for a fall back in regular private sector pay growth from 5.8% in April to 5.1% in June looking a challenge.
- Despite the high levels of wage growth in April, sharp falls in employment and a move up in unemployment suggests that wage growth will soon be back on a downward path. The 139,000 fall in employment in the three months to April was accompanied by a rise in the unemployment rate from 4.3% to 4.4%. This was the fourth increase in a row and took it to its highest level since September 2021. The rise would have been larger were it not for the 132,000 increase in inactivity in the three months to April as the UK's

disappointing labour market participation performance since the pandemic continued. The vacancies data also paint a picture of a slowly cooling labour market. The number of job vacancies fell from an upwardly revised 908,000 to 904,000, leaving vacancies 31% below the peak in May 2022, but 11% above the pre-pandemic level.

- The fall in CPI inflation in May back to the Bank's 2% target for the first time since July 2021. Furthermore, with CPI inflation of 3.3% in the US and 2.6% in the Euro-zone in May, the UK appears to have managed to get CPI inflation back to 2.0% first. A further easing in food inflation from 2.8% in April to 1.6% in May played a part in the fall in overall CPI inflation and with food producer price inflation at just 0.2% in May, food price inflation will probably soon fall to zero.
- The core rate also fell back from 3.9% to 3.5%. Within that, core goods CPI inflation slipped below zero for the first time since October 2016. As expected, clothing/footwear, recreation/culture and restaurants/hotels categories inflation declined, reflecting base effects from big increases last May. While services inflation fell from 5.9% to 5.7%, this decline was smaller than the Bank of England expected (forecast 5.3%). And the timelier three-month annualised rate of services prices has rebounded from 8.5% to 9.2%. This suggests that the persistence in domestic inflation that the Bank is worried about is fading more slowly than it thought. Even so, there is scope for inflation to fall further.
- There was little chance that the Bank would cut rates at its June meeting, given upside surprises on services CPI inflation and wage growth. But several developments implied a rate cut is getting closer, (potentially in August or September). First, two members of the Monetary Policy Commission (MPC), Ramsden and Dhingra voted again to reduce rates immediately to 5.00%. Second, despite the recent run of stronger inflation and activity, the minutes noted "indicators of inflation persistence had continued to moderate" and that a range of indicators suggest pay growth had continued to ease. And there was new wording that members of the MPC will consider all the information available and how this affects the assessment that the risks from inflation persistence are receding "as part of the August forecast round".
- Throughout the quarter there was a degree of volatility in the gilt market, and, by way of example, the 10-year gilt yield rose from 4.05% on 2nd April to finish at 4.15% on 28th June but it has exceeded 4.30% on several occasions. Overall, investors judged that interest rates will need to remain high for longer to keep inflation around the 2.0% target.

MPC meetings – May, June and August 2024

- On 9th May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20th June.

  On 1st August, the Bank of England's MPC voted to cut interest rates to 5.00%, the first rate cut since March 2020. Five members of the Monetary Policy Committee (MPC) voted to reduce Bank Rate by 0.25% while four members voted to hold interest rates. Bailey, The new inflation forecasts have estimated CPI will be 1.7% in Q3 2026 and 1.5% in Q3 2027.

2. Interest rate forecasts

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The Public Works Loan Board (PWLB) rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012. For Housing Revenue Account authorities, the lower Housing Revenue Account (HRA)

PWLB rate has also been available since 15 June 2023 (standard rate minus 60 bps) but is available for HRA borrowing only.

The latest forecast, updated on 28th May, sets out a view that both short and long-dated interest rates will start to fall once it is evident that the Bank of England has been successful in removing excess inflation out of the economy, despite a backdrop of a persistently robust economy and a tight labour market.

Moreover, whatever the shape of domestic data, recent gilt market movements have been heavily influenced by the sentiment pertaining to US monetary policy. Again, inflation and labour data has proven slow to move and the market's expectation for rate cuts has gradually reduced throughout the course of the year, so that possibly rates may not be cut more than once, or possibly twice, before the end of 2024. In any event, even if the Bank of England starts to cut rates first, it may mean that the medium and longer parts of the curve take longer to fully reflect any such action until the US yield curve shifts lower too.

However, given the increased uncertainty surrounding Link's central gilt market forecasts, and the significant issuance that will be on-going from several of the major central banks, it has marginally increased its PWLB forecasts by c20 to 30 basis points across the whole curve since the previous quarter.

In summary, regarding PWLB rates, movement in the short-end of the curve is expected to reflect Link's Bank Rate expectations to a large degree, whilst medium to longer-dated PWLB rates will remain influenced not only by the outlook for inflation, domestically and globally, but also by the market's appetite for significant gilt issuance (£200bn+ for each of the next few years). As noted at the Link March Strategic Issues webinars, there is upside risk to that part of our forecast despite the Debt Management Office skewing its issuance to the shorter part of the curve.

Link Group Interest Rate View	28.05.24											
	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.00	4.50	4.00	3.50	3.25	3.25	3.25	3.25	3.00	3.00	3.00
3 month ave earnings	5.30	5.00	4.50	4.00	3.50	3.30	3.30	3.30	3.30	3.00	3.00	3.00
6 month ave earnings	5.30	4.90	4.40	3.90	3.50	3.30	3.30	3.30	3.30	3.10	3.10	3.20
12 month ave earnings	5.10	4.80	4.30	3.80	3.50	3.40	3.40	3.40	3.40	3.20	3.30	3.40
5 yr PWLB	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.90	3.90	3.90	3.80
10 yr PWLB	5.00	4.80	4.60	4.40	4.30	4.10	4.10	4.10	4.00	4.00	4.00	3.90
25 yr PWLB	5.30	5.20	5.00	4.80	4.70	4.50	4.50	4.40	4.40	4.40	4.30	4.30
50 yr PWLB	5.10	5.00	4.80	4.60	4.50	4.30	4.30	4.20	4.20	4.20	4.10	4.10

- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- The Link forecast for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

1.1 ***The Council's Capital Expenditure and Prudential Indicators***

(1) The following section provides the information relating to the 2024/25 capital position and prudential indicators.

- The Council's capital expenditure plans.
- How these plans are being financed.
- The impact of the capital expenditure plans on the prudential indicators and the underlying need to borrow.
- Compliance with the limits in place for borrowing activity.

(2) The tables below draw together the main movement in terms of the capital expenditure plans compared to the original plan, highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements for capital expenditure. The borrowing element of Table 1 for both General Services and HRA below revises the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR).

Table 1

	2024/25 Original Estimate £'000	***2024/25 Latest Estimate £'000***
Prudential Indicator – General Services		
Capital Expenditure	**102,570**	**68,619**
General Services - Financed By		
General and Specific Grant	8,360	8,931
Capital Receipts/Other	32,426	3,530
Borrowing	61,784	56,158
	102,570	**68,619**

Prudential Indicator – HRA		
Capital Expenditure	**64,389**	**84,271**
HRA - Financed By		
CFCR, Draw on surplus	1,798	8,835
Other Receipts/ Grants	1,045	3,164
Borrowing	61,546	72,272
	64,389	**84,271**

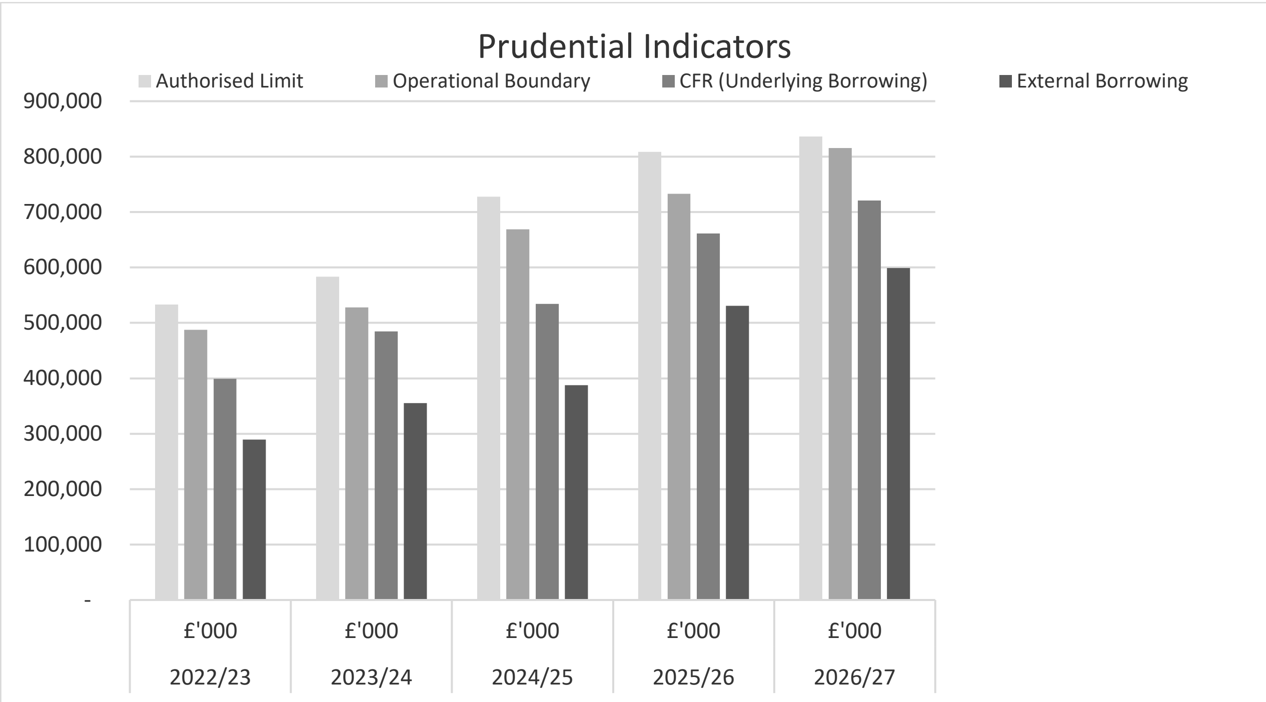
1.2 ***Capital Financing Requirement, Debt Position and Operational Boundary Indicators***

(1) Table 2 shows the CFR, which is the underlying need to incur borrowing for a capital purpose.

Table 2

Prudential Indicator – CFR	***2024/25 Original Estimate £'000***	***2024/25 Updated Estimate £'000***
Capital Financing Requirement – GS	484,081	478,461
Capital Financing Requirement – HRA	158.041	173,591
Total Capital Financing Requirement	**642,122**	**652,052**

(2) Prudential Indicators Chart



The chart shown at (2) above shows estimated key prudential indicators in bar chart format:

1. **External Borrowing –** shows significant increase in the next two years as the Council utilises borrowing to fund capital investment

2. **Capital Financing Requirement –** shows increases in CFR in line with external debt. The Council ended 2023/24 in an under borrowed position (CFR compared with external debt) of £58.801m. The current strategy

will be to reflect an under-borrowed position in the short/medium term as reflected in the chart.

3. **Operational Boundary –** this indicator is higher than external debt and CFR as it includes provision for other long term financing liabilities such as PPP and Finance leases, and short term cash flow variations.

4. **Authorised Limit –** the limit which cannot be exceeded in terms of the Council's debt position. This indicator is higher than the operational limit as provision is made for other cash flow variation and potential borrowing in advance.

Table 3

Prudential Indicators – Debt	***2024/25 Original £'000***	***2024/25 Updated £'000***
Authorised Limit	697,680	727,680
Operational Limit	641,720	661,720
External Debt	507,674	527,674

1.3 **Liability Benchmark**

(1) The third prudential indicator for 2024/25 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

CIPFA notes in the 2021 TM Code: "The liability benchmark should be analysed as part of the annual treasury management strategy, and any substantial mismatches between actual loan debt outstanding and the liability benchmark should be explained. Any years where actual loans are less than the benchmark indicate a future borrowing requirement; any years where actual loans outstanding exceed the benchmark represent an overborrowed position, which will result in excess cash requiring investment (unless any currently unknown future borrowing plans increase the benchmark loan debt requirement). The treasury strategy should explain how the treasury risks inherent in these mismatched positions will be managed."

(2) There are four components to the Liability Benchmark:

1. **Existing loan debt outstanding**: the Authority's existing loans that are still outstanding in future years.

2. **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned Loans Fund advances/Loans Fund principal repayments. (Note only approved prudential borrowing is included).

3. **Net loans requirement**: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential

borrowing, planned Loans Fund principal repayments and any other major cash flows forecast.

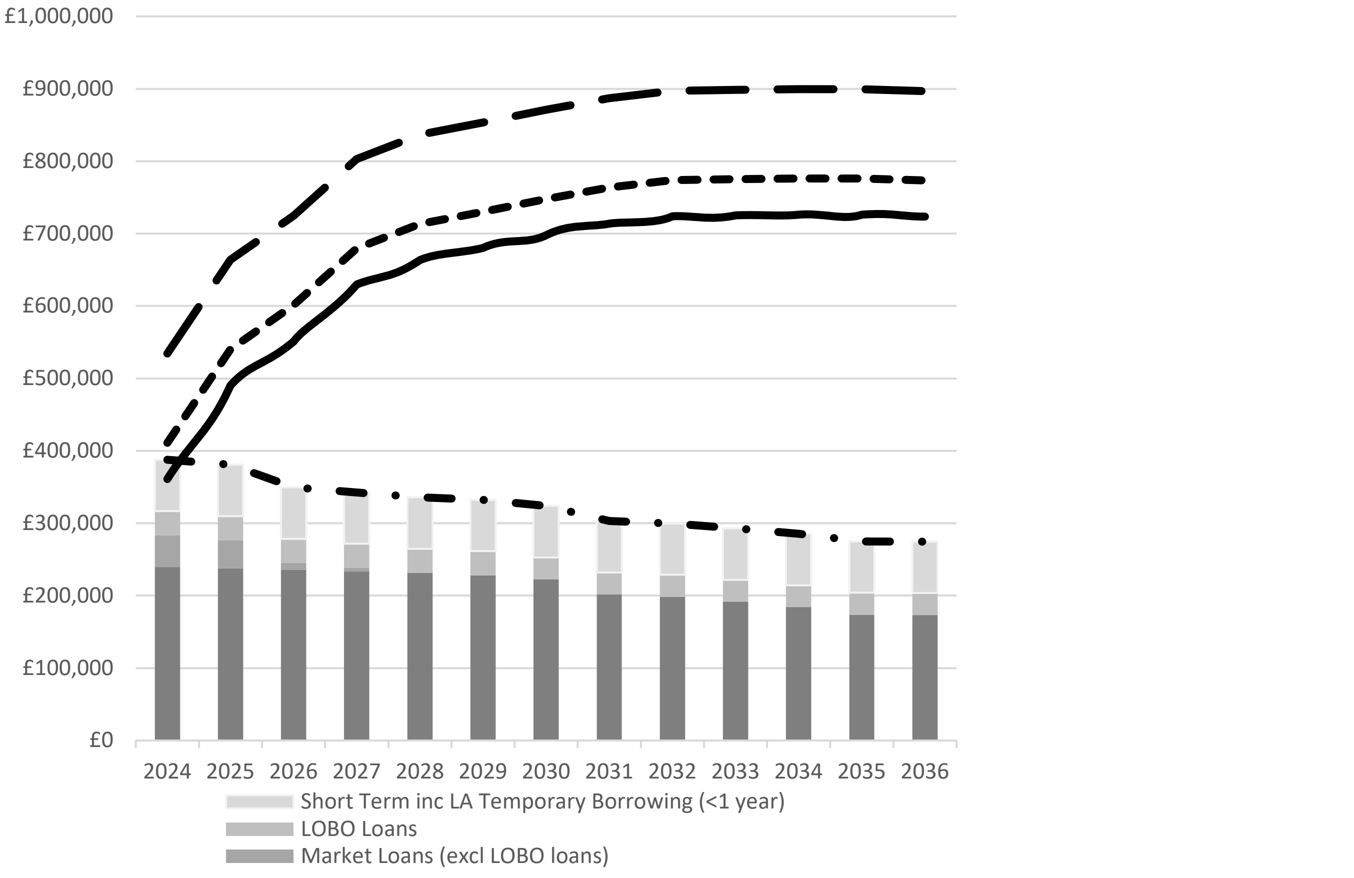
4. **Liability benchmark (or gross loans requirement)**: this equals net loans requirement plus short-term liquidity allowance.

(3) The graph below shows each of the 4 components, Existing Loan Debt Outstanding as shown in the bar chart of graph with overarching pale blue line, Loans CFR as shown by the green line, Net loans requirement as shown in the grey line and finally the liability benchmark as shown in the dark blue line.

This liability benchmark indicator is relevant for all authorities, including those with a net cash surplus. For such authorities, it becomes a measure of the forecast net investment requirement and guides the appropriate size and maturity of investments needed.

Any years where actual loans are less than the benchmark indicate a future borrowing requirement. Any years where actual loans outstanding exceed the benchmark represent an overborrowed position, which will result in excess cash requiring investment.

From chart below you can see SAC loans are less than the benchmark for at least the next 13 years which as stated indicates a future borrowing requirement. This is in line with SAC future capital plans and to replace existing borrowing which is due to mature in the coming years.



South Ayrshire Council
Equality Impact Assessment
Scoping Template

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: https://www.southayrshire.gov.uk/equalities/impact-assessment.aspx

Further guidance is available here: https://www.equalityhumanrights.com/en/publicationdownload/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. FSD Guidance for Public Bodies in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/

1. Policy details

Policy Title	Treasury Management and Investment Strategy Quarter 1 2024-25
Lead Officer (Name/Position/Email)	Kate Copland, Senior Finance Officer Treasury/ Capital – kate.copland@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-

Sex – (issues specific to women & men or girls & boys)	-	-
Community or Groups of People	**Negative Impacts**	**Positive impacts**
Sexual Orientation – person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-
Thematic Groups: Health, Human Rights & Children's Rights	-	-

3. **What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.**

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent's education, employment and income	-	-

4. **Do you have evidence or reason to believe that the policy will support the Council to:**

General Duty and other Equality Themes Consider the 'Three Key Needs' of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low

Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as **Medium and/or High**)	~~**YES**~~ **NO**
Rationale for decision: **The strategy outlines the approach to be taken in managing the Council's cash flow and capital funding arrangements and is a mechanism for ensuring that budget targets are achieved: a full EQIA is, therefore, not required**	
Signed: Tim Baulk Chief Financial Officer **Date:** 20 August 2024	