

From: Brian Collins, Deputy Leader
Dave Shipton Acting Corporate Director of Finance

To: Governance and Audit Committee, 25 March 2026

Subject: Treasury Management Strategy

Status: Unrestricted
ACTION from Previous Meeting

Summary: For Comment- to present the Treasury Management Strategy approved by the Council

1) Introduction

- a) At the November 2025 meeting of the Governance and Audit Committee it was agreed that the Treasury Management Strategy would be brought to a future meeting of the Committee for their comment.
- b) The Strategy has been reviewed by the Cabinet and approved by the County Council on 12 February 2026 as part of the suite of budget reports.
- c) Updates on the implementation of the Strategy will be brought to the Committee in June and November 2026.

2) Treasury Management Strategy

2.1 The Treasury Management activity of the County Council is closely controlled by the Strategy that is agreed annually. The Strategy is prepared in line with statutory guidance which requires a number of limits and indicators to be set and monitored. This annual refresh of the strategy considers whether any change is appropriate and update, where necessary, the Prudential indicators.

2.2. The Strategy has been approved by the County Council and is attached as and Appendix to this report to allow the Committee to review. During the year, the Committee will receive update reports as part of the monitoring process.

2.3 Listed below are some of the key highlights of the strategy to aid the Committee in their review:

- a. There are no changes to the Council's borrowing or investment strategies or its prudential indicators for security, liquidity and yield as the Council maintains its prudent approach to Treasury Management.
- b. The projection of the Council's capital financing requirement (CFR) is showing a small increase in 2027 and small decline over the next couple of years.
- c. This indicates that no new borrowing is foreseen for new capital programmes, and cash balances are projected to be sufficient to meet the council's cashflow requirements.

- d. Reserve balances are projected to improve slightly. Movement in reserves affect cash balances and these will have to be kept under review to monitor sufficiency of cash balances.
- e. Currently the Council's short term cash balances which are maintained for cash flow purposes are invested in a mix of short- and medium-term instruments. These will also be kept under review to maintain sufficient liquidity for cash flow requirements.
- f. The strategy assumes gradual decline in interest rates although in the recent past rate cutting by central banks has been slower than anticipated. Repayment of loans affect cash balances and therefore investment income although that might be partly offset by cash generated with improving reserve balances. Equally, maturing loan balances will result in lower interest cost burden.

3) Governance and Audit Committee's Responsibility

- a) In accordance with Kent County Council's Financial Regulations, the Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies. Members are reminded that the responsibility for the implementation and regular monitoring of treasury management policies and practices is the delegated responsibility of Cabinet, and the execution and administration of treasury management decisions is delegated to the Section 151 Officer.
- b) Members are reminded that the purpose of this Committee, in accordance with its [Terms of Reference](#), is to provide independent and high-level focus on the adequacy of governance, risk, finance, and control arrangements.
- c) Towards this purpose, its role is to:
 - i. ensure there is sufficient assurance over governance risk and control and provide reports to full Council on the effectiveness and adequacy of these arrangements;
 - ii. have oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability, and
 - iii. through i and ii above, give greater confidence to all those charged with governance for Kent County Council that its arrangements are effective and reporting to full Council or other Committees as necessary where the Committee has concerns that these arrangements are not effective.

4) Recommendation

The Governance and Audit Committee is asked to note the Treasury Management Strategy approved by the County Council on 12 February 2026

4) Appendices

Appendix: Treasury Management Strategy

5) Background Documents

6) Contact Details

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