

Audit and Governance Committee



PLYMOUTH
CITY COUNCIL

Date of meeting:	20 January 2026
Title of Report:	Draft Treasury Management Strategy 2026/27
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	David Northey (Service Director for Finance)
Authors:	Wendy Eldridge
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Your Reference:	Finance/WE/TMS Draft 2026-27
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report sets out the Council's Draft Treasury Management Strategy for 2026/27, including a Draft Non-Treasury Investment Strategy and a Draft Minimum Revenue Provision (MRP) Policy. The Treasury Management Strategy sets out a policy framework and a set of Prudential Code Indicators to guide decisions on the Council's borrowing and investments. The Non-Treasury Investment Strategy sets out a policy framework for the Council's Non-Treasury Investments (principally, the Council's Property Regeneration Portfolio). The Council is required to set a policy on its Minimum Revenue Provision as part of each annual budget setting cycle. The final Treasury Management Strategy will go forward to the City Council as part of the Annual Revenue and Capital budget setting report, and Audit and Governance Committee are being asked to consider the proposals at a formative stage.

Recommendations and Reasons

- I. The Audit and Governance Committee are recommended to note and comment on the Draft Treasury Management Strategy, considering any recommendations Committee may wish to make to Cabinet, who will consider a final version of the Strategy at its meeting in February.

Reason: Setting an annual Treasury Management Strategy is good financial management practice and a statutory requirement for the Council.

Alternative options considered and rejected

- I. It is a statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual Treasury Management Strategy.

Relevance to the Corporate Plan and/or the Plymouth Plan

Effective financial management is fundamental to the delivery of Corporate Plan and Plymouth Plan objectives. Treasury Management has a significant impact on the Council's activity both in revenue budget terms and the financing of investment in the City's Capital Programme.

Implications for the Medium-Term Financial Plan and Resource Implications:

Borrowing and investment activity affect the Council's budget, and Treasury Management risks represent one of the more significant areas of financial risk inherent in the Council's Medium Term Financial Plan.

The Treasury Management Strategy is a key component of the Council's financial strategy, and will form part of a suite strategies which provide a holistic view of the Council's financial planning framework. This document should be considered in conjunction with the Council's annual Medium-Term Financial Strategy and Capital Strategy.

Financial Risks

Treasury Management and investment activity carries inherent financial risk. The Council's Treasury Management Strategy (including the Non-Treasury Investment Strategy) is a key risk management tool, setting a statutory policy framework and financial indicators to ensure that the Council's borrowing and investment activities are sustainable and prudent.

Legal Implications

The Council is required to operate a balanced budget and must ensure that its capital and treasury management plans are affordable, prudent and sustainable. The Treasury Management Strategy 2026/27 has been prepared in accordance with the Local Government Act 2003, which places a statutory duty on local authorities to "have regard to" the CIPFA Treasury Management Code and the Prudential Code for Capital Finance in Local Authorities. The Strategy also reflects the requirements of the Ministry of Housing, Communities and Local Government (MHCLG) statutory guidance on Local Government Investments (2018) and the updated Minimum Revenue Provision (MRP) statutory guidance issued in April 2024, which the Council must follow when setting its annual MRP Statement.

Approval of the Treasury Management Strategy, Prudential Indicators, and the MRP Statement is a legal requirement and must be determined by Full Council before the start of the financial year. The Audit and Governance Committee is asked to review and comment on the Strategy to support assurance on compliance with statute, guidance and the Council's own Financial Regulations.

Failure to comply with statutory guidance or the Prudential Code could result in external audit recommendations, government intervention, or limitations on the Council's ability to access borrowing from the Public Works Loan Board (PWLB). Adoption and implementation of this Strategy therefore supports the Council's legal compliance, financial resilience and proper administration of its financial affairs under section 151 of the Local Government Act 1972.

Carbon Footprint (Environmental) Implications:

There are no direct carbon footprint or environmental implications arising from this report.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

There are no direct other implications arising from this report.

Appendices

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable)						
		1	2	3	4	5	6	7
A	Draft Treasury Management Strategy							

Background papers:

Title of any background paper(s)	Exemption Paragraph Number (if applicable)							
None	<p><i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i></p> <table border="1" data-bbox="747 220 1325 260"> <thead> <tr> <th data-bbox="754 222 814 260">1</th><th data-bbox="814 222 874 260">2</th><th data-bbox="874 222 936 260">3</th><th data-bbox="936 222 997 260">4</th><th data-bbox="997 222 1057 260">5</th><th data-bbox="1057 222 1119 260">6</th><th data-bbox="1119 222 1179 260">7</th></tr> </thead> </table>	1	2	3	4	5	6	7
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Sign off:

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Originating Senior Leadership Team member: David Northey, Service Director - Finance

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 12/01/2026

Cabinet Member approval: Approved verbally.

Date approved: 09/01/2026