Basingstoke and Deane

Treasury Management Policy Statement 2026/27

1. The council has adopted the key recommendations from the CIPFA Treasury Management Code of Practice. Accordingly, the council will create and maintain, as the cornerstone for effective treasury management, a Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities.
2. The council will receive reports on its treasury management practices and activity including as a minimum, an annual strategy and plan in advance of the year and an annual report after its close.
3. The council delegates responsibility for the monitoring and scrutiny of treasury management practices and activity to the Audit and Accounts Committee.
4. The council has delegated responsibility for the execution and administration of the treasury management policy, strategy, practices and activity to the council's Section 151 Officer. This officer should act in accordance with the council's treasury management policy statement, strategy and Treasury Management Practices (TMP's) being a member of the Consultative Committee of Accountancy Bodies (CCAB) or a member of the Chartered Institute of Management Accountants (CIMA) with standards of professional practice on treasury management.

Contents
— Policy Objectives
— The council's approach to Environmental, Social and Governance (ESG) investing

---

Policy Objectives

1. In line with the 2021 CIPFA Prudential Code the council defines its treasury management activities as:
2. "The management of the council's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
3. The council acknowledges that it is responsible for its treasury management decisions and activities, noting that the investment activity is delegated to the S151 Officer to operate within the

strategy approved by Council.

4. The council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the council and any financial instruments utilised to manage these risks.
5. The council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
6. The primary policy objective of the Treasury Management Strategy is:
    - to invest prudently having regard to the security of investments.
7. The supplementary policy objectives of the Treasury Management Strategy (in order of importance) are:
    - to maintain liquidity (accessibility) in the investment portfolio to meet the council's spending plans;
    - to aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity and predictability of returns; and
    - to minimise the cost of any temporary borrowing (which may be required for day-to-day cash flow reasons)

The council's approach to Environmental, Social and Governance (ESG) investing

1. Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits (https://www.investopedia.com/terms/a/audit.asp), internal controls (https://www.investopedia.com/terms/i/internalcontrols.asp), and shareholder rights.
2. The council does not invest in equities directly and therefore does not have influence over the activities of companies that part-ownership might provide. However, as an investor the council is able to take the following approach:
    - for direct investments, the council will seek to ensure that counterparties (excluding the UK Government and other UK Local Authorities) have 'Responsible Investment Policies or Environmental, Social and Governance (ESG) policies' in place prior to investing;
    - for indirect investments, the council will seek to ensure that any fund managers used have their own responsible investment policies or have signed up to widely recognised policies such as the United Nations Principles for Responsible Investment;

- the council will give preference to funds managed by investment managers that have signed up as members of the Net Zero Asset Managers initiative (NZAM) or the Institutional Investors Group on Climate Change (IIGCC) whilst being considerate of potential financial returns.
- the council recognises that it has no control or influence over where its counterparties themselves lend money or invest once an investment has been made