

Meeting: Audit Committee

Date: 18 February 2026

Wards affected: All Wards in Torbay

Report Title: Treasury Management Strategy 2026/27

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1. Purpose of Report

- 1.1 The Treasury Management Strategy at Appendix 1 to this report aims to support the provision of all Council services by the management of the Council's cash flow, debt and investment operations in 2026/27 and effectively control the associated risks and the pursuit of optimum performance consistent with those risks.
- 1.2 The views of the Audit Committee are sought ahead of the consideration of this Policy Framework document by the Council at its meeting on 26 February 2026.

2. Reason for Proposal and its benefits

- 2.1 The Treasury Management Strategy is considered under a requirement of the CIPFA Code of Practice on Treasury Management which was adopted by the Council on 3rd March 2023.
- 2.2 The approval of an investment strategy by Council is a requirement of statutory guidance on Local Government Investments issued by government in January 2018. This Strategy sets out the Council's policies for managing its investments under the priorities of security first, liquidity second and then returns.
- 2.3 In addition, the Treasury Management Strategy gives regard to the CIPFA Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

3. Recommendation(s) / Proposed Decision

- i. That Audit Committee recommends to Council approval of the:
- 2026/27 Treasury Management Strategy;
 - 2026/27 Prudential Indicators and
 - 2026/27 Annual Minimum Revenue Provision Policy Statement

Appendices

Appendix 1: Treasury Management Strategy 2026/27

1. Introduction

- 1.1 This report presents the Council's Treasury Management Strategy for 2026/27 for approval. The Strategy sets out the framework within which the Council will manage its borrowing, investment and cash-flow activities for the forthcoming financial year, in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice 2021 and the Prudential Code for Capital Finance in Local Authorities.
- 1.2 Treasury management plays a critical role in ensuring the Council's financial stability. The Council continues to manage significant levels of borrowing and treasury investments and is therefore exposed to a range of financial risks including interest rate fluctuations, the security of invested funds, and the need to ensure that borrowing remains affordable and sustainable.
- 1.3 The Strategy outlines the Council's approach to:
- Capital expenditure plans and prudential indicators,
 - Borrowing strategy, including the use of internal borrowing,
 - Investment strategy, including security, liquidity, ESG considerations and counterparty limits,
 - Minimum Revenue Provision (MRP) policy, and
 - Treasury management indicators and governance arrangements.
- 1.4 In a financial environment characterised by continued economic uncertainty and interest rate volatility, the Strategy aims to balance the need for prudent risk management with the requirement to support delivery of the Council's Capital Investment Plan and long-term financial sustainability. It ensures compliance with statutory requirements under the Local Government Act 2003, maintains access to appropriate sources of borrowing, and sets out the controls necessary to safeguard public funds.
- 1.5 Members are asked to consider and approve the Treasury Management Strategy for 2026/27 so that the Council can continue to operate within a robust and compliant treasury framework

2. Options under consideration

2.1 As set out in Appendix 1.

3. Financial Opportunities and Implications

3.1 As set out in Appendix 1.

4. Legal Implications

4.1 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires full Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

5. Engagement and Consultation

5.1 Not applicable

6. Purchasing or Hiring of Goods and/or Services

6.1 Not applicable

7. Tackling Climate Change

7.1 Not applicable

8. Associated Risks

8.1 Treasury Management associated risks are managed by compliance with the CIPFA code.

9. Identify the potential positive and negative impacts on specific groups

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Age	<ul style="list-style-type: none"> 18% of Torbay residents are aged under 18 years old. 55% of Torbay residents are aged between 18 to 64 years old. 27% of Torbay residents are aged 65 and older. 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable
Carers	<ul style="list-style-type: none"> At the time of the 2021 census there were 14,900 unpaid carers in Torbay. 5,185 of these carers provided 50 hours or more of care. 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable

Care experienced	<ul style="list-style-type: none"> As of January 2026, there were 277 former care experienced young people aged 18-24 in Torbay. 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable
Disability	<ul style="list-style-type: none"> In the 2021 Census, 23.9% of Torbay residents answered that their day-to-day activities were limited a little or a lot by a physical or mental health condition or illness. 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable
Gender reassignment	<ul style="list-style-type: none"> In the 2021 Census, 0.4% of Torbay's community answered that their gender identity was not the same as their sex registered at birth. 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable

Marriage and civil partnership	<ul style="list-style-type: none"> Of those Torbay residents aged 16 and over at the time of 2021 Census, 44.2% of people were married or in a registered civil partnership. 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable
Pregnancy and maternity	<ul style="list-style-type: none"> Between 2013 and 2024, the rate of live births (as a proportion of females aged 15 to 44) has been slightly but significantly higher in Torbay (average of 56.0 per 1,000) than the Southwest (53.4) and broadly in line with England (56.3). For the period 2022 to 2024, rates in Torbay (44.6) have been significantly below England (50.0). 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable
Race	<p>In the 2021 Census, 96.1% of Torbay residents described their ethnicity as the following:</p> <ul style="list-style-type: none"> 1.6% as Asian, Asian British or Asian Welsh 0.3% as Black, Black British, Black Welsh, Caribbean or African 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or	Not applicable	Not applicable

	<ul style="list-style-type: none"> • 1.5% as being of Mixed or Multiple ethnic groups • 96.1% as White • 0.4% described their ethnicity another way. • Black, Asian and minoritised ethnic communities are more likely to live in areas of Torbay classified as being amongst the 20% most deprived areas in England. 	differentiate between individuals or protected groups.		
Religion and belief	<p>The 2021 Census showed that the residents in Torbay identify their religion and/or belief as the following;</p> <ul style="list-style-type: none"> • 48.5% are Christian • 0.4% are Buddhist • 0.2% are Hindu • 0.6% are Muslim • Less than 0.1% are Sikh • 0.1% are Jewish • 0.7% have another religion • 43.2% have no religion • 6.3% did not answer 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable
Sex	<ul style="list-style-type: none"> • 51.3% of Torbay's population are female. • 48.7% of Torbay's population are male. 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not	Not applicable	Not applicable

		make decisions that directly target or differentiate between individuals or protected groups.		
Sexual orientation	<p>In the 2021 Census, residents described their sexuality as follows;</p> <ul style="list-style-type: none"> • 89% as Straight or Heterosexual • 1.7% as Gay or Lesbian • 1.1% as Bisexual • 0.1% as Pansexual • 0.1% described their sexuality another way • 7.4% of people didn't answer the question 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable
Armed Forces Community	<ul style="list-style-type: none"> • In 2021, 3.8% of residents in England reported that they had previously served in the UK armed forces. • In Torbay, 5.9% of the population have previously served in the UK armed forces. 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable
Additional considerations				
Socio-economic impacts (Including impacts on child	<ul style="list-style-type: none"> • Torbay is ranked as the 39th most deprived upper tier local authority in 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets	Not applicable	Not applicable

poverty and deprivation)	England in the Index of Multiple Deprivation 2025.	out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.		
Public Health impacts (Including impacts on the general health of the population of Torbay)	<ul style="list-style-type: none"> For the five-year period 2020 to 2024, data shows there is a 6-year life expectancy gap between males who live in Torbay's least and most deprived areas and, a 3-year gap for females. 	The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable
Human Rights impacts		The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.	Not applicable	Not applicable
Child Friendly		The Treasury Management Strategy is fundamentally a financial, technical and regulatory document, its direct interaction with residents and staff is limited. It sets	Not applicable	Not applicable

		out how the Council manages borrowing, investments and financial risk in line with CIPFA guidance. As such, it does not make decisions that directly target or differentiate between individuals or protected groups.		
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10. Cumulative Council Impact

10.1 Not applicable

11. Cumulative Community Impacts

11.1 Not applicable