

Joint Audit Committee

29 April 2021

Responsible Officer:	Impact on Business:		Risk Register Reference & RAG
Matthew Warren and Jon Lee CFOs	High		
	Medium	X	
	Low		
Lead Manager:	Report Type:		
	Governance	X	
	Strategic		
	Operational		
Previous papers to Committee:			

Report summary	<p>The Treasury Management Strategy sets out how the Acting Commissioner and Cambridgeshire Constabulary will manage its financial investment and borrowing over the next four years. The strategy has to be set in context against the Capital Programme and Asset Management Strategy.</p> <p>The Treasury Management Strategy will need to be flexible enough to respond to changes in operational demand which will drive the use of assets and the ever-changing economic outlook. The Constabulary has a longer-term strategy to seek the best return on assets to ensure that it can keep investing in infrastructure. As a result, it may choose to use cash reserves to finance capital projects rather than to borrow at higher rates than the return on investments.</p> <p>The Asset Management Strategy will be driven by the Constabulary and seek to determine how and what assets are required over the medium term. The Strategy will identify those assets that are surplus and will be the subject of disposal or used in an alternative way thus to enhance the return on the given asset. Each one of these assets will be subject to an individual assessment that will identify the most economically advantageous means of disposal. The disposal method could require investment by the Acting Commissioner to maximise the return and for this reason any Treasury Management Strategy will need to be kept under review.</p> <p>Alongside the Asset Management Strategy is the Capital Strategy containing the Capital Programme that requires funding. The funding may come from a number of sources, including borrowing, revenue funding, asset disposal</p>
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	<p>proceeds or reserves. The Capital Programme forecasts when schemes will be implemented and as such when funds will need to be available. The Treasury Management Strategy is set in tandem to the Capital Programme to ensure the appropriate funding is available when required.</p> <p>The way an individual capital scheme is financed will be specific to the particular circumstances at the time. For example, it may be best to internally borrow from cash reserves/investment at a time when borrowing rates are high. However, if borrowing interest rates fall then it may be more prudent to borrow to fund a specific scheme. It may also be dependent on other circumstances, for instance, if sale proceeds are expected imminently then cash reserves maybe used to bridge the funding in the short-term.</p>			
Related Police and Crime Plan objective				
Action (tick one box only)	Information <input checked="" type="checkbox"/>	Assurance <input type="checkbox"/>	Approval <input type="checkbox"/>	Decision <input type="checkbox"/>
Recommendation	To note the TMSS 2021/22.			