

To: Cabinet
Date: 07 February 2024
Report of: Scrutiny Committee
Title of Report: Treasury Management Strategy 2024/25

Summary and recommendations	
Purpose of report:	To present Scrutiny Committee recommendations for Cabinet consideration and decision
Key decision:	No
Scrutiny Lead Member:	Councillor Lucy Pegg, Scrutiny Committee Chair
Cabinet Member:	Councillor Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management
Corporate Priority:	All
Policy Framework:	Council Strategy 2020-24
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.	

Appendices	
Appendix A	Draft Cabinet response to recommendations of the Scrutiny Committee

Introduction and overview

1. The Scrutiny Committee met on 06 February 2024 to consider a report concerning the Treasury Management Strategy 2024/25. The report, which is due for Cabinet consideration on 07 February 2024, recommends that Cabinet recommends the Treasury Management Strategy 2024/25, the Borrowing Strategy 2024/25, the Minimum Revenue Provision Statement, the Investment Strategy 2024/25 and the Treasury Management Scheme of Delegation to Council for approval.
2. The Committee would like to thank Nigel Kennedy (Head of Financial Services) and Bill Lewis (Financial Accounting Manager) for attending the meeting to answer questions.

Summary and recommendations

3. Bill Lewis, Financial Accounting Manager introduced the report, which was a follow-on from previous years. There had been some changes in the presentation of the report, but there was no substantial change from the current Treasury Management Strategy.
4. The Committee asked a range of questions, including questions relating to the reasoning for the significant transfer of funds from the Housing Revenue Account (HRA) set out in the financial implications section of the report; prudential indicators; structures of borrowing; risk associated with the large increase in external borrowing set out in the report; the Council's Environmental, Social and Governance (ESG) Policy; passive investments; whether the limit for non-specified investments had been changed following a recommendation made by the Finance and Performance Panel on 06 December 2023; and the Council's Ethical Investment Policy.
5. In particular, the Committee considered the Council's Ethical Investment Policy, which set out that the Council would not knowingly invest directly in businesses whose activities and practices posed a risk of serious harm to individuals or groups, or whose activities were inconsistent with the Council's mission and values. Members queried whether human rights abuses associated with the conflict in Israel and Palestine had impacted any of the Council's investments and were advised that the Council did not have a high level of investments currently and so its current investments would not be impacted by the conflict. The Committee was informed that it would be difficult for the Council to assess which institutions were involved in the conflict as that information was not publicly available. However, Members noted that other organisations had undertaken analysis of institutions' investment activities and practices in relation to serious harm, including human rights abuses, which the Council could draw upon to review its current investments to ensure that the Council was not investing in institutions whose activities and practices were not aligned with the Council's Ethical Investment Policy.

Recommendation 1: That the Council reviews its investments in light of the conflict in Israel and Palestine and any associated human rights abuses with a view to assessing alignment with the Council's current Ethical Investment Policy.

Report author	Alice Courtney
Job title	Scrutiny Officer
Service area or department	Law and Governance
Telephone	01865 529834
e-mail	acourtney@oxford.gov.uk