

From: Su Martin, Financial Advisor, KEIFCA

To: Kent and Essex Inshore Fisheries and Conservation Authority –
19 May 2026

Subject: **TREASURY MANAGEMENT STRATEGY 2026/27**

Classification: **Unrestricted**

Summary:

This paper details the 2025/26 interest return for the Authority and the Treasury Management Strategy for the 2026/27 financial year. It follows the Kent County Council Treasury Management Strategy where appropriate.

Recommendation:

Members are asked to **NOTE** the strategy as it is explained at paragraph 2 with KEIFCA monies remaining on deposit with Kent County Council unless better opportunities are found and **APPROVE** it for the year.

1. Introduction

1.1 Treasury risk management at Kent County 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 the 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.

1.2 The Kent and Essex Inshore Fisheries and Conservation Authority has no borrowing, nor will it have in the foreseeable future, and only has positive cash balances.

1.3 At 31st March 2026 the Authority had balances invested via Kent County Council, in the equivalent of seven-day money at a rate tied to SONIA (Sterling Overnight Interest Average). As the funds are liquid i.e. available on demand without any notice, the 7-day rate was considered most appropriate.

The standard interest for held funds is the average 7-day market rate. The average rates started at around 4.3% at the beginning of the year, declining each month to finish at an average of 3.7%. The interest received by KEIFCA on the investment in 2025/26 was £133,724.16.

2. Current Objectives & Strategy (extracted from KCC 2026/27 Budget book Appendix N)

2.1 The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults, the liquidity of investments and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) risks when investing.

2.2 The Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and to mitigate the negative impact of inflation on the value of the Council's long-term resources.

2.3 The Council is committed to responsible treasury management and to being a good steward of the assets in which it invests. The successful identification, monitoring and control of financial risk are central to the Council's prudent financial management, and this includes the identification and management of environment, social and governance (ESG) risks that arise in the course of carrying out treasury management activities. Therefore, the Council integrates ESG considerations into its treasury management decision-making process.

2.4 The framework for evaluating investment opportunities is still developing. When investing in banks and funds, and after satisfying security, liquidity and yield considerations, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

2.5 Assets within the strategic pooled fund portfolio are managed by third-party investment managers responsible for the day-to-day investment decisions, including undertaking voting and engagement activities on behalf of the Council. The Council incorporates analysis of ESG integration and active ownership capabilities when selecting and monitoring investment managers.

2.6 The Council requires its investment managers to engage with companies to monitor and develop their management of ESG issues in order to enhance the value of the Council's investments. The Council also requires feedback from the investment managers on the activities they undertake and regularly reviews this feedback through meetings and reporting.

Appendix N in Budget Book 2026/27 gives further detail about the current position and Treasury Management Strategy – please follow this link: [2026-27 Budget Book](#)

Recommendation:

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