

## EXECUTIVE 10<sup>th</sup> November 2022

<b>Report Title</b>	Treasury Management Mid-Year Report to September 2022
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<b>Lead Member</b>	Councillor Lloyd Bunday, Executive Member for Finance and Transformation

<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Is the decision eligible for call-in by Scrutiny?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Are there public sector equality duty implications?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972</b>	

### List of Appendices

#### **Appendix A – Treasury Management Outturn Report 2022/23**

##### **1. Purpose of Report**

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- 1.1. This report updates the Council's treasury management and prudential indicators.
- 1.2. It also provides an update to the Executive on the Council's treasury management activities and performance for the first half of the financial year ended 30<sup>th</sup> September 2022 in accordance with the CIPFA's Code of Practice on Treasury Management.

##### **2. Executive Summary**

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- 2.1. This report asks the Executive to note the outcome of the Council's treasury management activities and performance for the first half of the financial year ended 30<sup>th</sup> September 2022.

### 3. Recommendations

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- 3.1. It is recommended that the Executive:
- a. Note the activity undertaken during the first half of the financial year ended 30<sup>th</sup> September 2022 and the performance achieved as set out in **Appendix A** to this report: and
  - b. Note that all treasury activities were undertaken in line with the approved Treasury Management Strategy/Annual Investment Strategy.
- 3.2. Reason for Recommendations - The Council's Treasury Management Strategy Statement is underpinned by the CIPFA Code of Practice on Treasury Management ("the Code") which requires that members are informed of treasury management activities at least twice a year. Full Council has delegated the formulation and monitoring of the Council's treasury management strategy, policy and activity to the Executive Committee.
- 3.3. Alternative Options Considered - This report is for information and there are no alternative options for consideration.

### 4. Report Background

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- 4.1. The Council operates a balanced budget, which broadly means income raised during the year will meet its expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 4.2. The second function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing needs of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 4.3. Accordingly, treasury management is defined as:
- "The management of the local authority'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."*
- 4.4. In line with the Code and the requirement of the Council's Treasury Management Strategy, this report provides an update on the borrowing, investments and cash flows, money market and capital market activities to 30<sup>th</sup> September 2022.

## **5. Issues and Choices**

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- 5.1. In line with its delegated authority, the Committee is asked to note the treasury management activities and performance to 30<sup>th</sup> September 2022.

## **6. Implications (including financial implications)**

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### **6.1. Resources, Finance and Transformation**

- 6.1.1. The financial implications are set out within the report.

### **6.2. Legal**

- 6.2.1. This report is for information. There are no specific legal implications arising from this report.

### **6.3. Risk**

- 6.3.1. The financial risks arising from this report are set out within the report and **Appendix A**.
- 6.3.2. The Committee should note that the current changing position of the UK Government and the uncertain economic climate in the UK is likely to have a significant impact upon the forecast of future interest rates, particularly in relation to borrowing, which could negatively impact on the affordability of the capital programme in the medium term.

### **6.4. Relevant Policies and Plans**

- 6.4.1. The Treasury Management Strategy Statement supports the Council's priorities as set out within the corporate plan.

### **6.5. Consideration by the Executive Advisory Panel**

- 6.5.1. Not applicable

### **6.6. Consultation**

- 6.6.1. None specific to this report.

### **6.7. Consideration by Scrutiny**

- 6.7.1. Not specific to this report.

## 6.8. **Equality Implications**

6.8.1. None specific to this report.

## 6.9. **Climate and Environmental Impact**

6.9.1. None specific to this report.

## 6.10. **Community Impact**

6.10.1. None specific to this report.

## 6.11. **Crime and Disorder Impact**

6.11.1. Nothing specific within this report.

## 7. **Background Papers**

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7.1. 2022/23 Treasury Management Strategy Statement, Annual Investment Strategy