

## **HIGH PEAK BOROUGH COUNCIL**

### **Report to Audit & Regulatory Committee**

**25 October 2018**

<b>TITLE:</b>	<b>Treasury Management Update</b>
<b>EXECUTIVE COUNCILLOR:</b>	<b>Councillor Thrane - Executive Councillor for Finance and Operational Services</b>
<b>CONTACT OFFICER:</b>	<b>Claire Hazeldene – Finance &amp; Performance Manager Emily Bennetts – Finance Business Partner</b>
<b>WARDS INVOLVED:</b>	<b>Non-specific</b>

#### **Appendices Attached – Appendix A: Treasury Management Mid-Year Update Report, 30<sup>th</sup> September 2018**

#### **1. Reason for the Report**

- 1.1. To allow the robust scrutiny of the Council's Treasury Management performance in 2018/19 in compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and generally accepted good practice.

#### **2. Recommendation**

- 2.1. That Members note the current Treasury Management position (as at 30<sup>th</sup> September 2018).

#### **3. Executive Summary**

- 3.1. The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management was adopted by the Council in March 2010. This Council fully complies with its requirements, one of which is to produce at least one mid-year operational report.

- 3.2. This report comprises the following:

- The latest interest rate forecast;
- Investment income earned to date and projected for 2018/19;
- The current investment portfolio;
- The borrowing portfolio with projected borrowing costs for 2018/19 and debt rescheduling options; and

- Compliance against Prudential and Treasury indicators set in the Treasury Management Strategy 2018/19.

### 3.3. The main headlines include:

- The Bank of England base rate increased to 0.75% on 2<sup>nd</sup> August 2018.
- The investment income budget of £139,940 is expected to exceed its target by £5,000 following the earlier than forecast event of the base rate increase.
- A saving of £39,210 overall is forecast on the borrowing costs budget, split £11,340 to the general fund and £27,870 to the HRA, due to reduced MRP on the general fund and improved investment income for the HRA.
- The average return on investments achieved by the Council during the period to 1<sup>st</sup> July to 30<sup>th</sup> September was 0.68%. This compares favorably to short-term industry benchmarks.
- The Council's investment portfolio totalled £20.6million spread across ten separate institutions as at 30<sup>th</sup> September 2018.
- The Council's total level of debt as at 30<sup>th</sup> September was £71,825,404 at an average annual borrowing rate of 3.82%.

## 4. How this report links to Corporate Priorities

4.1. An effective Treasury Management function is critical in safeguarding and effectively managing the financial resources at the Council's disposal. Sufficient financial resources are required to deliver and underpin all of the Council's main priorities.

## 5. Alternative Options

5.1. This report sets out the Treasury Management position for High Peak Borough Council for 2018/19 to date and the projected outturn. As such it is a statement of fact and there are no options.

**Andrew P Stokes**  
**Executive Director (Transformation) and Chief Finance Officer**

### Web Links and Background Papers

'Treasury Management – Governance & Scrutiny Arrangements' (Audit & Regulatory Committee September 2009)

'Treasury Management Strategy Statement 2018/19' (Audit & Regulatory Committee, February 2018, revised at Council, May 2018)

### Location

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