

HIGH PEAK BOROUGH COUNCIL

Audit & Regulatory Committee

9 February 2022

TITLE:	Treasury Management Update
EXECUTIVE COUNCILLOR:	Councillor Barrow - Executive Councillor for Corporate Services and Finance
CONTACT OFFICER:	Keith Pointon – Head of Finance Emily Bennetts – Finance Business Partner
WARDS INVOLVED:	Non-specific

Appendices Attached – Appendix A: Treasury Management Mid-Year Update Report, 31st December 2021

1. Reason for the Report

- 1.1 To allow the robust scrutiny of the Council's Treasury Management performance in 2021/22 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 31st December 2021.

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 and comment on the impacts of Covid-19;
- Investment income earned to date and projected for the year;
- The current investment portfolio;
- An update to the approved capital programme; and the projected borrowing requirements with associated borrowing costs for the year; and

- Compliance against Prudential and Treasury indicators set in the Treasury Management Strategy 2021/22.

3.3 The main headlines are:

- The Bank of England base rate increase from 0.10% to 0.25% in December 2021.
- A surplus of £26,730 is forecast against the investment interest income budget; and a saving of £42,000 is forecast on borrowing costs.
- The average return on investments achieved by the Council to the end of December was 0.16%, this was boosted by the notice account investments, whereas instant access accounts earn interest at 0.01%.
- The Council's investment portfolio totalled £38.9million spread across eight separate institutions as at 31st December 2021.
- The Council's total level of debt as at 31st December was £66.8million at an average annual borrowing rate of 3.92%.

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 2020/21 to date and the projected outturn. As such it is a statement of fact and there are no options.

John Betts
Interim Chief Finance Officer

Web Links and Background Papers

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

'Treasury Management Strategy Statement 2021/22' (Audit & Regulatory Committee, February 2021)

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