

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Audit & Accounts Committee

17 June 2022

TITLE:	Annual Treasury Management Report
PORTFOLIO HOLDER:	Councillor Worthington – Portfolio Holder for Finance
CONTACT OFFICER:	Keith Pointon – Head of Finance Emily Bennetts – Finance Business Partner
WARDS INVOLVED:	Non-specific

Appendices Attached – Appendix A: Annual Treasury Management Report 2021/22

1. Reason for the Report

- 1.1 The purpose of the report is 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 the Annual Treasury Management Report 2021/22 is recommended to Council for approval.

3. Executive Summary

- 3.1 The Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities for 2021/22.
- 3.2 The Annual Treasury Management Report for 2021/22 considers the following areas:
- The Council's capital expenditure and overall borrowing need during the year;
 - Compliance with Prudential Indicators, showing the outturn against those Indicators formally adopted in the 2021/22 Treasury Management Strategy Statement;

- A review of the Treasury Management Strategy and the economic environment during the year;
- The Council's borrowing outturn;
- The Council's capital loan (service investment – housing) activity;
- The Council's investment portfolio, and performance, including a summary on investments with Environmental, Social, Governance (ESG) positive links.

3.3 The Executive Director & Chief Finance Officer confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit) was not breached.

3.4 The main headlines include:

- Capital expenditure in 2021/22 totalled £13million, including a £10million capital loan (service investment – housing) to Your Housing Ltd. Capital expenditure was partly funded via capital receipts, reserves and contributions; the remainder has created a borrowing requirement of £6.3million.
- Total external debt at 31st March 2022 amounted to £12.6million. There was an underspend of £34,600 against borrowing costs.
- £468,075 interest income was earned from the maturing debenture and loan balances held with Ascent Housing LLP and the new capital loan (service investment - housing) to Your Housing Limited. There was an overall shortfall of £54,805 against the budget due to the reduction of the overall loan value and falling interest rates.
- The average daily investment portfolio during 2021/22 was £12.4million invested with a total of nine institutions, yielding £42,825 in investment income. There was a £22,329 surplus against the investment income budget following increases in the Bank of England base rate in quarter 4.
- The average return achieved by the Council on its investment portfolio for the year was 0.20%. Year-end investments totalled £27.3million, all internally managed by the Council's Treasury Management Team.

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 the Council's main priorities.

5. Alternative Options

5.1 This report sets out the Treasury Management position for Staffordshire Moorlands District Council for 2021/22. As such it is a statement of fact and there are no options to consider.

Martin Owen
Executive Director (Finance and Customer Services)

**Web Links and
Background Papers**

'Treasury Management Strategy 2021/22'
Audit & Accounts Committee February 2021

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