

HIGH PEAK BOROUGH COUNCIL

Audit & Regulatory Committee

15 June 2022

TITLE:	Annual Treasury Management Report 2021/22
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:	(All Wards);

**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 the year.
- 3.2 The Annual Treasury Management Report for 2021/22 considers the following areas:
- The Council's capital expenditure, overall borrowing need for the year;
 - Compliance with Prudential Indicators, showing the outturn against those Indicators formally adopted in the 2021/22 Treasury Management Strategy;

- A review of the Treasury Management Strategy and the economic environment during the year;
- The Council's borrowing outturn;
- 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 £10.3million, largely funded by reserves, contributions and capital receipts, with the remainder creating a borrowing requirement of £553,153 wholly applicable to General Fund capital expenditure.
- Total debt at 31st March 2022 amounted to £63.1million including loans from Public Works Loan Board and Market Loans. There was one maturing loan in the year of £3.7million. No new external borrowing or refinancing took place; nor was there any debt rescheduling.
- Overall borrowing costs were £51,986 underspent against the budget, owing to an increase in the charge to the HRA and a £10,953 reduction in the general fund MRP charge.
- The average daily investment during 2021/22 was £32.6million invested with a total of nine institutions, yielding £67,005 in investment income. A surplus of £26,715 was achieved against the budget due to the increase 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 0.21%. Year-end investments totalled £30.1million 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 High Peak Borough Council for 2021/22. As such it is a statement of fact and there are no options to consider.

6. **Implications**

6.1 Community Safety - (Crime and Disorder Act 1998)

None

6.2 Workforce

None

6.3 Equality and Diversity/Equality Impact Assessment

This report has been prepared in accordance with the Council's Diversity and Equality Policies.

6.4 Financial Considerations

Included throughout the report.

6.5 Legal

None

6.6 Climate Change

Information on investments with Environmental, Social and Governance (ESG) links within the Investment portfolio is included in the report.

6.7 Consultation

None

6.8 Risk Assessment

There are a number of inherent financial risks associated with Treasury Management activity, not least the potential for loss of interest and/ or deposits. For this reason, the Council engages the services of external Treasury Management advisors, Link Asset Services ('Link').

Investment and borrowing decisions are made in accordance with the Council's formally adopted Treasury Management Strategy. That Strategy includes a number of risk management features such as the overriding priority that security of deposit takes precedence over return on investment.

Martin Owen

Executive Director (Finance and Customer Services)

**Web Links and
Background Papers**

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

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