

HIGH PEAK BOROUGH COUNCIL

Audit & Regulatory Committee

8 February 2023

TITLE:	Treasury Management Update
EXECUTIVE COUNCILLOR:	Councillor Barrow- Executive Councillor for Corporate Services and Finance
CONTACT OFFICER:	Keith Pointon – Head of Finance Emily Bennetts – Principal Finance Officer
WARDS INVOLVED:	(All Wards);

Appendices Attached – Appendix A: Treasury Management Mid-Year Update Report, 31st December 2023

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 2022/23 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 2023.

3. Executive Summary

- 3.1 This report is delivered in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management, which recommends that members be updated on treasury management activities regularly (annual, mid-year and quarterly reports).
- 3.2 This report comprises the following:
- The latest interest rate forecast;
 - The current investment portfolio and investment income projected for the year;
 - Projected borrowing requirements with associated borrowing costs for the year; and
 - Compliance against Prudential and Treasury indicators set in the Treasury Management Strategy 2022/23.

3.3 The main headlines are:

- The Bank of England base rate increased from 0.75% to 1.00% in May 2022; then to 1.25% in June; to 1.75% in August; to 2.25% in September; to 3.00% in November; and again to 3.50% in December.
- Due to subsequent increases in investment interest rates, a surplus of £442,080 is forecast against the investment interest income budget.
- The Council's investment portfolio totalled £30.6million spread across eight separate institutions as at 31st December 2023. Average balances in the year have been £32.45million.
- The Council's total level of debt as at 31st December was £63.08million with a £3.3million loan scheduled for extinguishment in January 2023. The average annual borrowing rate is 4.00%.
- The borrowing costs budget forecasts a total saving of £176,650 to the general fund and an increased charge of £99,890 to the HRA.

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 2022/23 to date and the projected outturn. As such it is a statement of fact and there are no options.

Martin Owen
Executive Director (Finance and Customer Services)

Web Links and Background Papers

'Treasury Management Strategy Statement 2022/23'
(Audit & Regulatory Committee, February 2022)

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