

**STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL**

**Audit & Accounts Committee**

**23 June 2023**

<b>TITLE:</b>	<b>Treasury Management Update</b>
<b>PORTFOLIO HOLDER:</b>	<b>Councillor Wood - Portfolio Holder for Finance</b>
<b>CONTACT OFFICER:</b>	<b>Keith Pointon – Head of Finance Emily Bennetts - Principal Finance Officer</b>
<b>WARDS INVOLVED:</b>	<b>Non-specific</b>

**Appendices Attached – Appendix A – Treasury Management Update Report to 31<sup>st</sup> May 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 2023/24 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 31<sup>st</sup> May 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 investment portfolio and investment income
- The capital loan (service investment – housing)
- Borrowing requirements with associated borrowing costs
- Compliance against Prudential and Treasury indicators set in the Treasury Management Strategy 2023/24

### 3.3 The main headlines are:

- The Bank of England base rate increased from 4.25% to 4.50% in May.
- The Council's investment portfolio totalled £14.9million spread across six separate institutions as at 31st May 2023. Average balances were £15.4million. Investment income of £796,440 is forecast to be on target.
- The capital loan (service investment – housing) is earning £307,000 interest during the year.
- The Council's level of external debt at 31st May was £7.6million. The borrowing costs budget of £549,510 is forecast to be on target pending external borrowing decisions.

## 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 Staffordshire Moorlands District Council for 2023/24 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 2023/24' (Audit & Accounts Committee February 2023)

### **Contact details**

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