

## **HIGH PEAK BOROUGH COUNCIL**

### **Audit & Regulatory Committee**

**7 February 2024**

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

### **Appendices Attached – Appendix A: Treasury Management Mid-Year Update Report, 31<sup>st</sup> 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 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> 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 investment portfolio and investment income
- 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 has remained at 5.25% since the previous report. A surplus of £166,280 in investment income is forecast.
- As at 31st December the Council's investment portfolio total was £27.85million spread across seven separate institutions; of this the balance on specific ESG linked investments was £5million with one institution. Average investment balances in the year have been £21.2million.
- The Council's total level of debt as at 31st December was £63.8million. The average annual borrowing rate is forecast as 3.96%.
- Borrowing costs on the general fund are forecast to be underspent by £71,520.

#### 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 2023/24 to date and the projected outturn. As such it is a statement of fact and there are no options.

#### 6. **Implications**

6.1	<u>Community safety, including safeguarding and prevention of terrorism</u> None
6.2	<u>Workforce</u> None
6.3	<u>Equality and Diversity/Equality Impact Assessment</u> This report has been prepared in accordance with the Council's Diversity and Equality Policies.
6.4	<u>Financial Considerations</u> Included throughout the report.
6.5	<u>Legal</u> None
6.6	<u>Climate Change and Sustainability</u> Information on investments with Environmental, Social and Governance (ESG) links within the Investment portfolio is included in the report.

6.7	<u>Conservation and Enhancement of Biodiversity</u> None
6.8	<u>Consultation</u> None
6.9	<u>Risk Assessment</u> 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 2023/24' (Audit & Regulatory Committee, February 2023)

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