

**STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL**

**Audit & Accounts Committee**

**17 February 2023**

<b>TITLE:</b>	<b>Treasury Management Update</b>
<b>PORTFOLIO HOLDER:</b>	<b>Councillor Worthington - 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> December 2022**

**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 31<sup>st</sup> December 2022.

**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;
- The capital loan (service investment – housing);
- 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; 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 the subsequent increases in investment interest rates, a surplus of £329,430 is forecast against the investment income interest budget.
- The Council's investment portfolio totalled £23.8million spread across seven separate institutions as at 31st December 2022. Average balances were £23.9million.
- The capital loan (service investment – housing) is earning £307,000 interest during the year. Borrowing costs of £214,350 to support this are included in the borrowing costs forecast outturn.
- The Council's average external debt is forecast to be £9.4million at an average annual borrowing rate of 1.57%.
- The borrowing costs budget is forecast to be underspent by £49,000 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 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 & Accounts Committee February 2022)

### **Contact details**

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