

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Audit & Accounts Committee

7 June 2024

TITLE:	Annual Treasury Management Report 2023/24
PORTFOLIO HOLDER:	Councillor Wood - Portfolio Holder for Finance
CONTACT OFFICER:	Emily Bennetts - Principal Finance Officer
WARDS INVOLVED:	Non-Specific

**Appendices attached – Appendix A- Annual Treasury Management Report
2023/24**

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 the Annual Treasury Management Report 2023/24 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 2023/24 considers the following areas:

- The Council's capital expenditure and overall borrowing need during the year
- Compliance with Prudential Indicators, showing the outturn against those formally adopted in the Treasury management Strategy Statement for the year
- The Council's treasury position at the end of the year
- Interest rate movements during the year

- Borrowing activity
- Investment performance & portfolio

3.3 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 2023/24 totalled £6.6million largely funded by contributions and capital reserves leaving a small borrowing requirement of £60,000.
- Total external debt at 31 March 2024 was £7.6million. There was an underspend of £144,642 against borrowing costs due to reduced average borrowing in the year.
- £307,000 interest income was earned from the capital loan (service investment - housing) to Your Housing Limited in line with the budget.
- The average daily investment portfolio during 2023/24 was £18.7million invested with a eight institutions, yielding £1,103,440 in investment income. There was a £98,005 surplus against the investment income budget due to increases in the Bank of England base rate and the subsequent improved investment opportunities.
- The average return achieved by the Council on its investment portfolio for the year was 4.79%. Year-end investments totalled £13.2million, 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 Staffordshire Moorlands District Council for 2023/24. As such it is a statement of fact and there are no options to consider.

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 (Resources)

Web Links and Background Papers

'Treasury Management Strategy 2023/24'
Audit & Accounts Committee February 2023

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