

HIGH PEAK BOROUGH COUNCIL

Audit & Regulatory Committee

31 July 2024

TITLE:	Annual Treasury Management Report 2023/24
EXECUTIVE COUNCILLOR:	Councillor Alan Barrow - Executive Councillor for Corporate Services and Finance
CONTACT OFFICER:	Emily Bennetts, Keith Pointon -Principal Finance Officer, Head of Finance 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 by 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
 - The Council's treasury position at the end of the year
 - Interest rate movements during the year
 - Borrowing activity
 - Investment performance & portfolio

- Compliance with Prudential Indicators, showing the outturn against those indicators formally adopted in the 2023/24 Treasury Management Strategy Statement.

3.3 The 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 during the year created a general fund borrowing need of £4.894million. The external borrowing position is maintained below the year end and forecast capital financing requirement (CFR).
- Total debt at 31 March 2024 was £63.8million including loans from Public Works Loan Board, Market Loans and a Local Authority Loan. There were two maturities totalling £3million and one new loan of £5million during the year. Provisional overall borrowing costs are £95,123 overspent against the budget.
- The average investment portfolio held during the year was £21.2million with an average interest rate return of 4.89%. A provisional surplus of £351,175 was achieved against the budget.

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 High Peak Borough 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> The whole report relates to financial considerations.
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> Information on investments with Environmental, Social and Governance (ESG) links within the investment portfolio is included in the report.
6.8	<u>Consultation</u> None
6.9	<u>Risk Assessment</u> <p>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').</p> <p>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.</p>

Martin Owen

Executive Director (Resources)

Web Links and Background Papers

Treasury Management Strategy Statement 2023/24:
Audit & Regulatory Committee February 2023
<https://democracy.highpeak.gov.uk/mgCommitteeDetails.aspx?ID=145>

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