

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Audit & Accounts Committee

2 August 2024

TITLE:	Treasury Management Update Report for 2024/2
PORTFOLIO HOLDER:	Councillor Wood - Portfolio Holder for Finance
CONTACT OFFICER:	Keith Pointon – Head of Finance Emily Bennetts - Principal Finance Officer
WARDS INVOLVED:	Non-specific

Appendices Attached – Appendix A Treasury Management Update Report Quarter 1 2024/25

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 2024/25 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 at the quarter ended 30 June 2024.

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 latest interest rate forecast, the investment portfolio and investment income, the capital loan (service investment – housing), borrowing requirements with associated borrowing costs, and compliance against Prudential and Treasury indicators set in the Treasury Management Strategy 2024-25.

3.3 The main headlines are:

- The Bank of England base rate has remained at 5.25% since the previous report. At the end of the quarter, the Council's investment portfolio total was £19.99million spread across seven separate institutions; of this balance, specific ESG linked investments were £3.5million with two institutions. Average balances were £19.96million. A shortfall of £82,500 in investment income is forecast against a budget of £912,140.
- The capital loan (service investment – housing) is earning £307,000 interest during the year.
- The Council's level of external debt at the end of the quarter was £11.1million. Savings of £50,000 are forecast against the borrowing costs budget of £588,020.

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 2024/25 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>

	The whole report contains 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> 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 Statement 2024/25'
(Audit & Accounts Committee February 2024)
[https://democracy.highpeak.gov.uk/ieListMeetings.aspx?
Committeed=186](https://democracy.highpeak.gov.uk/ieListMeetings.aspx?Committeed=186)

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