

**STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL**

**Audit & Accounts Committee**

**14 February 2025**

<b>TITLE:</b>	<b>Treasury Management Update report</b>
<b>PORTFOLIO HOLDER:</b>	<b>Councillor Wood - 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  
Quarter 3 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 31 December 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), impact of the capital programme, borrowing requirements and 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 decreased from at 5.25% at the start of the year to 5.00% in August and to 4.75% in November.

- At the end of the quarter, the Council's investment portfolio total was £19million spread across seven separate institutions; of this balance on specific ESG linked investments there was £3.5million with two institutions. Average balances to the end of quarter 3 were £18.6million.
- A small shortfall of £5,850 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 is forecast to be £4.6million at the end of the year. An underspend of £35,980 is 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	<p><u>Risk Assessment</u></p> <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 advisers, MUFG Corporate Markets (formerly Link Treasury Services Ltd).</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>
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Martin Owen  
**Executive Director (Resources), s151 Officer**

**Web Links and**

**Background Papers**

'Treasury Management Strategy Statement 2024/25' (Audit & Accounts Committee February 2024)  
<https://democracy.highpeak.gov.uk/ieListMeetings.aspx?Committeeld=186>

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