

Report of the Chief Finance Officer

**Treasury Management Annual Report & Review of Prudential Indicators
2020/21**

Summary

1. Audit & Governance Committee are responsible for ensuring effective scrutiny of the treasury management strategy and policies, as stated in the Treasury Management Strategy 2020/21 approved by full Council on 27 February 2020.
2. Attached at Annex 1 is the draft Treasury Management Annual Report and Review of Prudential Indicators 2020/21, which provides an update on treasury management activity during the year.

Recommendation

3. Audit & Governance Committee note and scrutinise the Treasury Management Annual Report and Review of Prudential Indicators 2020/21 at Annex 1

Reason: That those responsible for scrutiny and governance arrangements are updated on a regular basis to ensure that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

Background

4. The report reviews the economic and market conditions and provides an update on the outturn position for the year, including details of new loans taken during the year.
5. Members will be aware from previous reports that the policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, as was outlined in the 2020/21 budget reports in February 2020, these cash balances have now been used and therefore the Council has begun to borrow to fund ongoing capital expenditure.

6. All new borrowing has been undertaken in line with the Treasury Management Strategy Statement 2020/21 and is as included in the approved budget proposals.

Consultation

7. Not applicable

Options

8. It is a statutory requirement under Local Government Act 2003 for the council to operate in accordance with the CIPFA prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice “the Code”. No alternative options are available.

Council Plan

9. Treasury management is an integral part of the council’s finances providing for cash flow management and financing of capital schemes. It aims to ensure that the council maximises its return on investments, (whilst the priority is for security of capital and liquidity of funds) and minimises the cost of its debts. This allows more resources to be freed up to invest in the Council’s priority areas as set out in the council plan. It therefore underpins all of the council’s aims.

Implications

10. The implications are
 - Financial – the security of the Councils capital funds is a priority, maximising returns on investments is still key along with minimising the finance costs of debt.
 - Human Resources - there are no human resource implications to this report.
 - One Planet Council / Equalities - there are no One Planet Council or equality implications to this report.
 - Legal - there are no legal implications to this report.
 - Crime and Disorder - there are no crime and disorder implications to this report.
 - Information Technology - there are no information technology implications to this report.
 - Property –there are no property implications to this report.
 - Other – there are no other implications to this report.

Risk Management

11. The treasury management function is a high-risk area because of the volume and level of large money transactions. As a result of this the Local Government Act 2003 (as amended), the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice (the code) are all adhered to as required.

Contact Details			
Author:		Chief Officer responsible for the report:	
Debbie Mitchell Chief Finance Officer		Debbie Mitchell Chief Finance Officer	
	Report approved	√	Date 03/06/2021
Specialist Implications Officer(s) None			
Wards Affected: <i>List wards or tick box to indicate all</i>			All √

For further information please contact the author of this report
Background Working Papers
None

Annexes

Annex One - Treasury Management Annual Report and Review of Prudential Indicators 2020/21
Annex to above report – Prudential Indicators 2020/21