

GOVERNANCE & AUDIT COMMITTEE: 27 SEPTEMBER 2022

DRAFT TREASURY MANAGEMENT ANNUAL REPORT 2021/22

REPORT OF THE CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 8.1

Annexes B & C of Appendix 1 of this report are not for publication as they contain exempt information of the description in paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972

Reason for this Report

1. The Governance and Audit Committee Terms of Reference sets out their responsibility for undertaking scrutiny of the accounting, audit and commercial issues in relation to the Council's Treasury Management Strategy and practices.
2. This report has been prepared to provide Committee Members with the Draft Treasury Management Annual Report before submission to Council in accordance with the Council's Treasury Management Policy. This is scheduled for October 2022

Background

3. The report attached at Appendix 1 provides the Committee with the Draft Treasury Management Annual Report for 2021/22.

Issues

4. In accordance with regulatory requirements, reports were submitted to Council in March 2021 indicating the Treasury Management Strategy for 2021/22 and a mid year report in November 2021. The following paragraphs cover the main highlights of the Annual Report for 2021/22.
5. At 31 March 2022, investments stood at £226.4 million. The annual report includes charts indicating who the investments are placed with and for how long. All investments are deemed recoverable and so no losses are required to be recognised in the Council's Statement of Accounts for activities during 2021/22. Interest receivable from treasury investments totalled £0.3 million during the year.
6. At 31 March 2022, the Council had £855.6 million of external borrowing, with £72.4 million of new borrowing and £27.5 million of scheduled repayments during 2021/22. Interest payable during the year from its revenue budget on this debt was £34.1 million of which £13.2 million was paid for by the Housing Revenue Account.

7. The level of internal borrowing is £13 million at 31 March 2022 (£30 million at 31 March 2021). Due to restrictive penalty costs, no debt rescheduling was undertaken during the year.
8. At the start of the financial year, the Council is required to set a number of prudential indicators for capital expenditure and its treasury management activities. During 2021/22, there was no breach of indicators requiring a separate report to Council. Affordability indicators are also produced highlighting the percentage of the Council's budgets committed to capital financing costs.

Reason for Recommendations

9. To allow Governance and Audit Committee to undertake the scrutiny of Treasury Management in accordance with Council's Treasury Management Policies.

Legal Implications

10. No direct legal implications arise from this report.

Financial Implications

11. This report provides a backward looking summary of the Council's Treasury Management activities during 2021/22. The report is required to be submitted to Council to discharge its reporting duties under the Treasury Management Policy adopted by the Council. This requires a report on treasury management at the start of the year, a mid year report and an annual report at the end of the year. The report is to note the activities and position of the prior financial year and highlights the level of investments, borrowing and revenue impact of treasury management decisions.

RECOMMENDATIONS

12. That the Draft Treasury Management Annual Report for 2021/22 be noted, prior to its submission to full Council.

CHRISTOPHER LEE
CORPORATE DIRECTOR RESOURCES
27 September 2022

The following appendix is attached:
Appendix 1 – Cardiff Council Draft Treasury Management Annual Report 2021/22