

GOVERNANCE & AUDIT COMMITTEE: 10 September 2024

TREASURY MANAGEMENT ANNUAL REPORT 2023/24

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 9.1

Annexes B & C to Appendix 1 to this report are not for publication as they contain exempt information of the description in Paragraphs 14 of Schedule 12A of the Local Government Act 1972.

Reason for this Report

1. The committee has received this report in respect of the following Treasury Management responsibilities contained within its terms of reference:
 - To seek assurances that the Council has complied with the Treasury Management Strategy and Practices by demonstrating effective control of the associated risks and pursuing optimum performance consistent with those risks.
 - To review the treasury management policy and procedures to be satisfied that controls are satisfactory.
 - To review the treasury risk profile and adequacy of treasury risk management processes.
 - To review assurances on treasury management (for example, an internal audit report, external audit or other review).
 - To develop awareness and understanding of treasury matters, and to receive regular reports on activities, issues and trends to support the committee's understanding of treasury management activities. (The committee is not responsible for the regular monitoring of treasury management policies and practices, which are the responsibility of the Cabinet, under the Council's Scheme of Delegations (Section 2, paragraph 10), the approved Treasury Management Policy Statement and the Third Clause of Treasury Management, as set out therein).
2. This report has been prepared to provide Committee Members with the Draft Treasury Management Annual Report prior to submission to Council on 26 September 2024 in accordance with the Council's Treasury Management Policy.

Background

3. The Council's treasury management activities are governed by legislation and a Code of Practice developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) updated in 2021.

Issues

4. In accordance with regulatory requirements, reports were submitted to Council in March 2023 indicating the Treasury Management Strategy for 2023/24 and a Mid-Year update report in November 2023. The following paragraphs cover the main highlights of the Annual Report for 2023/24 which is a backward looking summary of Treasury Management activities during that period.
5. At 31 March 2024, investments stood at £119.3 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 2023/24. Interest receivable for the general fund from treasury investments totalled £4 million during the year.
6. At 31 March 2024, the Council had £893.8 million of external borrowing, with £43.1 million of new borrowing and £4.4 million of scheduled repayments during 2023/24. Interest payable during the year from its revenue budget on this debt was £33.9 million of which £14.1 million was paid for by the Housing Revenue Account.
7. 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 2023/24, there was no breach of indicators requiring a separate report to Council.
8. The Treasury Management Annual Report for 2023/24 is included at Appendix 1.

Reasons for Recommendations

9. To allow Governance and Audit Committee to undertake the scrutiny of Treasury Management in accordance with Council's Treasury Management Policies. Council policy requires the Treasury Management Annual Report 2023/24 update to be submitted to Council.

Legal Implications

10. No direct legal implications arise from this report.

Financial Implications

11. The Council's treasury management activities are undertaken in accordance with the policies adopted by Council and under professional codes of conduct established by CIPFA, the Welsh Government and the Corporate Director Resources as part of Treasury Management Practices. This report is part of a suite of reports that members receive on the Council's treasury management activities during the course of a year. Whilst there are no direct financial implications arising from this report, the risks involved with treasury management are continuously reviewed as part of the Council's Medium term Financial Plan.

RECOMMENDATION

Committee to consider the Treasury Management Annual report in accordance with responsibilities as set out in paragraph 1.

CHRISTOPHER LEE

Corporate Director Resources

3 September 2024

The following Appendix is attached:-

Appendix 1: Treasury Management Annual Report 2023/24

Annexe A – Treasury Management Policy Extract

Annexe B – Investments at 31 March 2024 (Confidential)

Annexe C – Investment Charts at 31 March 2024 (Confidential)

Annexe D – Maturity Analysis of borrowing as at 31 March 2024

Annexe E – Glossary of Treasury Management terms