

# Recommendation of the Performance and Audit Scrutiny Committee: 27 July 2023: Treasury Management Report (June 2023)

<b>Report number:</b>	<b>CAB/WS/23/038</b>	
<b>Report to and date(s)</b>	<b>Cabinet</b>	19 September 2023
	<b>Council</b>	26 September 2023
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**Decisions Plan:** The decision made as a result of this report will usually be published within 48 hours. This item will be referred to Council for a final decision and is, therefore, not subject to call-in. This item is included in the Decisions Plan.

**Wards impacted:** All Wards.

**Recommendation:** That subject to the approval of Council, the Treasury Management Report (June 2023), as contained in Report number: FRS/WS/23/004, be approved.

## **1. Context to this report**

### **1.1 Investment Activity: 1 April 2023 to 30 June 2023**

Following the Financial Resilience Sub-Committee's consideration of report number [FRS/WS/23/004](#) on 17 July 2023 the Committee received a verbal report on the Sub-Committee's consideration of the report.

1.2 The report showed the position as at 30 June 2023. At this point, the Council held £49.5m of investments and borrowing of £9.6m. Interest receivable in the first quarter was driving a budget surplus of £315,930 due to rising interest rates and high levels of cash invested. The surplus was being held in the capital projects financing reserve in order to mitigate the risk of future borrowing in the current interest environment. The Council's liability benchmark and cashflow forecast showed that the Council would not need to borrow externally within the short to medium-term this financial year.

1.3 Following the latest inflation report the Council has seen that the market was expecting a slightly lower projection in the Bank of England's interest rate increase at their next meeting. The Council continues to seek external advice regarding the timing of external borrowing requirements and that was not predicted for cash flow reasons for the next 12 to 24 months. Officers were also in discussions with the Council's advisors, Arlingclose to attend a future meeting of the Committee to provide some Treasury Management and oversight training.

1.4 The Sub-Committee scrutinised the investment activity for 1 April 2023 to 30 June 2023, and asked questions to which responses were provided.

1.5 The Performance and Audit Scrutiny Committee on 27 July 2023 scrutinised the report. In particular discussions were held on discussions were held on Arlingclose, the Council's treasury advisors around general advice provided, quarterly reports produced and training they provided.

1.6 The Performance and Audit Scrutiny Committee has put forward recommendations as set out on page one of this report.

## **2. Alternative options that have been considered**

2.1 Not applicable.

## **3. Consultation and engagement undertaken**

3.1 Not applicable.

**4. Risks associated with the proposals**

4.1 Not applicable.

**5. Implications arising from the proposals**

5.1 Financial: See report number: [FRS/WS/23/004](#)

**6. Appendices referenced in this report**

6.1 None

**7. Background documents associated with this report**

7.1 Report number: [FRS/WS/23/004](#)