

Referrals report of recommendations from Cabinet

Report number:	COU/WS/24/002	
Report to and date:	Council	20 February 2024
Documents attached:	None	

A. Referrals from Cabinet: 6 February 2024

1. Treasury management report (December 2023)

<p>Portfolio holder: Councillor Diane Hind</p> <p>Cabinet Report number: CAB/WS/24/008</p> <p>Financial Resilience Sub-Committee Report number: FRS/WS/24/001</p> <p>Appendix 1 Treasury Management Prudential Indicators</p> <p>Appendix 2 Market Information</p>

<p>Recommended:</p> <p>That the Treasury management report (December 2023), as contained in Report number: FRS/WS/24/001, be approved.</p>
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1.1 Investment Activity: 1 April 2023 to 31 December 2023

Following the Financial Resilience Sub-Committee’s consideration of report number [FRS/WS/24/001](#) on 15 January 2024 the Committee received a verbal report on the Sub-Committee’s consideration of the report.

1.2 The Council held £55,750,000 of investments as of 31 December 2023. Interest receivable in the first nine months of the financial year amounted to £2,083,152.79 against a budget for the period of £536,250. This has created a budgetary surplus of £1,546,902.79 due to two main reasons:

- the Council holding higher levels of cash balances than anticipated; and
- the rising Bank of England base rate having a knock-on effect on investment returns.

- 1.3 External borrowing as of 31 December 2023 was £9,500,000, a reduction of £250,000 from 1 April 2023 which relates to the repayment plan for the recent PWLB £10m 40-year loan), with the Council’s level of internal borrowing being £47,604,200 as of 31 December 2023. The overall borrowing total of both external and internal is expected to increase over the full financial year.
- 1.4 The Sub-Committee scrutinised the investment activity for 1 April 2023 to 31 December 2023, at its meeting on 15 January 2024 and asked questions to which responses were provided.
- 1.5 The Performance and Audit Scrutiny Committee on 25 January 2024 considered the report, and in particular, discussed the detailed forecast for the Council’s Capital Financing Requirement over the next three years.
- 1.6 On 6 February 2024, the Cabinet considered the recommendation of the Performance and Audit Scrutiny Committee, as reproduced above and this is now referred to Council for final approval.

2. Financial Resilience Strategy Statement 2024 to 2025 and Treasury Management Code of Practice

Portfolio holder: Councillor Diane Hind

Cabinet Report number: [CAB/WS/24/009](#)

Financial Resilience Sub-Committee Report number: [FRS/WS/24/002](#)

Appendix 1 [Treasury Management Strategy 2024 to 2025](#)

Appendix 2 [Treasury Management Code of Practice](#)

Recommended: That

- 1. The Treasury Management Strategy Statement 2024 to 2025 as set out in Appendix 1 to Report number: FRS/WS/24/002, be approved.**
- 2. The Treasury Management Code of Practice, as set out in Appendix 2 to Report number: FRS/WS/24/002, be approved.**

2.1 Financial Resilience - Strategy Statement 2024 to 2025 and Treasury Management Code of Practice

The Chartered Institute of Public Finance and Accountancy’s (CIPFA) Treasury Management Code of Practice requires that, prior to the start of the financial year that Council formally approves a Treasury Management Policy Statement and Investment Strategy, setting out the Council’s treasury management policy and strategy for the forthcoming year.

- 2.2 The Treasury Management Strategy Statement 2024 to 2025 is attached as [Appendix 1](#) to report number: [FRS/WS/24/002](#) and the Treasury Management Code of Practice attached as [Appendix 2](#). It was reported that the only significant change to the Treasury Management Strategy Statement for 2024 to 2025 is the addition of the UK Infrastructure Bank as a source of Borrowing. In relation to the Treasury Management Code of Practice for 2024 to 2025 there were not significant changes.
- 2.3 The report also included additional supporting information on treasury advisors; borrowing strategy; investment strategy counterparty ratings and interest rate projections.
- 2.4 The Financial Resilience Sub-Committee scrutinised the report in detail on 15 January 2024 and asked questions to which responses were provided.
- 2.5 The Performance and Audit Scrutiny Committee on 25 January 2024 considered the report and did not raise any issues.
- 2.6 On 6 February 2024, the Cabinet considered the recommendation of the Performance and Audit Scrutiny Committee, as reproduced above and this is now referred to Council for final approval.

3. Budget and Council Tax setting: 2024 to 2025 and Medium Term Financial Strategy 2024 to 2028

Portfolio holder: Councillor Diane Hind

Cabinet Report number: [CAB/WS/24/010](#)

(Note that due to extensive number of appendices attached to Report number CAB/WS/23/010, the above link applies to the Cabinet agenda papers page on the Council's website)

- 3.1 The recommendations emanating from the Cabinet's consideration of this report, together with its approval of the recommendation contained in Report number: [CAB/WS/24/007](#) 'Recommendation of the Performance and Audit Scrutiny Committee: 25 January 2024 - Delivering a sustainable medium-term budget' are contained within Report number: COU/WS/24/003 'Budget and Council Tax setting: 2024 to 2025 and Medium Term Financial Strategy 2024 to 2028', for consideration as agenda item 8 on this Council agenda.
- 3.2 Members are therefore requested to **note** that no decision is required at this stage.