

EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Annual Treasury Management Report 2023-24	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Audit Committee 26 June 2024	
	Council 8 July 2024	

<p>Is this an Executive Decision:</p>	<p>No</p>	<p>Is this a Key Decision:</p>	<p>NO</p>
<p>Is this in the Forward Plan:</p>	<p>Yes</p>	<p>Does this report contain Confidential or Exempt Information:</p> <p>If the report Contains Confidential Information, please provide reason.</p> <p>If the report contains Exempt Information, please state relevant paragraph from Schedule 12A LGA 1972:</p>	<p>NO</p> <p>N/A</p> <p>N/A</p>

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Monitoring Officer: **John Teasdale**

Date Signature

Chief Finance Officer: **Lloyd Haynes**

Date Signature

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Audit Committee

Date: 26 June 2024

REPORT TITLE: Annual Treasury Management Report 2023/24

PORTFOLIO: Finance

CHIEF OFFICER: Lloyd Haynes

CONTACT OFFICER: James Hopwood Ext. No. x1139

WARD(S) AFFECTED: All

1. Purpose of the Report

1.1 The Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury report. This report fulfils this requirement, providing a review of treasury activities during the year against the approved Treasury Management Strategy Statement (TMSS).

2. Contribution to Corporate Priorities

2.1 To support all corporate priorities by minimising the cost to the Council of borrowing to finance its Capital Programme, whilst at the same time maximising the Council's income from the investment of surplus funds whilst maintaining the security and liquidity of investments.

3. Annual Treasury Management Report

3.1 This is one of three Statutory Treasury Management Reports which are required to be presented to Council each year. The attached report covers:

- The strategy for 2023/24 - a summary
- The Council's treasury position as at 31st March 2024
- Borrowing and Investments outturn
- The economy and interest rates
- Compliance with treasury limits
- Other treasury matters

- 3.2 In summary, the Council's treasury management activities during 2023/24 have been in line with the approved strategy. The highlights from the attached report are as follows:
- 3.2.1 The Council's external borrowing is £6.365m as at 31st March 2024. No additional external borrowing was undertaken during the financial year. A £4.5m market loan was repaid and other loan debt was repaid as individual annuity loan repayments (from PWLB).
- 3.2.2 The Capital Financing Requirement (the under-lying need to borrow) decreased by £0.854m during the year. The CFR level (£13.472m) remains above the external borrowing level; this reflects an under-borrowed position which reduces counterparty risk and is cost effective in the current market conditions.
- 3.2.3 Core Investments stood at £49.7m as at 31st March 2024. Average returns during the year were 5.03% and reflects the rapidly changing market conditions throughout the year.
- 3.2.4 The average rate of investment return that was assumed in the 2023/24 budget was 3.7%.

4. Risk Assessment and Management

- 4.1 The main risks associated with this report and the Council achieving its objectives are the same as those contained within the Treasury Management Strategy Statement. These cover interest rate risk, inflation risk, market/credit risks and liquidity risk.
- 4.2 These risks are recorded within the risk register and monitored in accordance with the risk strategy.

5. Financial Considerations

*This section has been approved by the following member of the Finance Team:
James Hopwood*

- 5.1 The report is solely related to financial matters.
- 5.2 Borrowing and investments throughout the year have been managed in accordance with the approved Treasury Management Strategy for 2023-24.

6. Legal Considerations

This section has been approved by the following member of the Legal Team: John Teasdale

- 6.1 There are no direct significant legal issues arising from this Report. It is a statutory duty, under Section 3 of the Local Government Act 2003 and supporting regulations, for the Council to approve a range of prudential indicators as part of its approval of the General Fund Revenue Budget and Capital Programme.

7. Equality and Health

7.1 The Report does not involve the public, including staff, or have consequences for them.

8. Data Protection Implications – Data Protection Impact Assessment (DPIA)

8.1. A DPIA must be completed where there are plans to:

- use systematic and extensive profiling with significant effects;
- process special category or criminal offence data on a large scale; or
- systematically monitor publicly accessible places on a large scale
- use new technologies;
- use profiling or special category data to decide on access to services;
- profile individuals on a large scale;
- process biometric data;
- process genetic data;
- match data or combine datasets from different sources;
- collect personal data from a source other than the individual without providing them with a privacy notice ('invisible processing');
- track individuals' location or behaviour;
- profile children or target marketing or online services at them; or
- process data that might endanger the individual's physical health or safety in the event of a security breach

8.2 Following consideration of the above, there are no Data Protection implications arising from this report which would require a DPIA.

9. Human Rights

9.1 There are no Human Rights issues arising from this Report.

10. Recommendation(s)

10.1 To review the Annual Treasury Management Report for 2023-24 (and associated Prudential Code Indicators), and to make any comments or observations to full Council as the Committee may see fit.

11. Background papers

11.1 Treasury Management Strategy Statement 2023/24 – approved by full Council on 20th February 2023.

12. Appendices

12.1 Annual Treasury Management Report – Appendix A.