

# Report to Council

**30 January 2024**

<b>Subject:</b>	Treasury Management Mid-Year Review 2023/24
<b>Director:</b>	Brendan Arnold – Interim Director of Finance <a href="mailto:Brendan_Arnold@sandwell.gov.uk">Brendan_Arnold@sandwell.gov.uk</a>
<b>Contact Officer:</b>	Craig Pugh – Strategic Finance Manager <a href="mailto:Craig_Pugh@sandwell.gov.uk">Craig_Pugh@sandwell.gov.uk</a>

## 1. Recommendations

- 1.1. That Council approve the Treasury Management Mid-Year Review 2023/24, as set out in Appendix A, including revisions to the following indicators:
- (i) Authorised Limit from £913.142m to £891.638m;
  - (ii) Operational Boundary to from £544.113m to £573.252m; and
  - (iii) Capital Financing Requirement from £896.581m to £876.638m

## 2. Reasons for Recommendations







- 2.1. The CIPFA Code of Practice on Treasury Management - revised 2021 (The Code) requires Council to receive reports on Treasury Management including the Annual Treasury Management Strategy and MRP Policy Statement before the start of each financial year as well as a Mid-Year Review and an Annual Outturn Report detailing activities during the previous year.



2.2. The mid-year review (Appendix A) was included within the Quarter 2 Monitoring Report which was considered by the Cabinet on 6<sup>th</sup> December 2023. This report complies with the requirement of The Code in ensuring that full Council receive and approve the mid-year review.

**3. How does this deliver objectives of the Corporate Plan?**

3.1. The Council’s Treasury Management activities help to underpin the Council’s Corporate Plan and the associated aspirations.

	The Best Start in Life for Children and Young People
	People Live Well and Age Well
	Strong Resilient Communities
	Quality Homes in Thriving Neighbourhoods
	A Strong and Inclusive Economy
	A Connected and Accessible Sandwell

**4. Context and Key Issues**

4.1. Treasury Management is defined as “The management of local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.”



- 4.2. Prudential and Treasury indicators are set and approved before the start of each financial year using information included in the budget reports to inform members of the impact of capital investment decisions and to agree processes for managing risk within the debt and investment strategies.
- 4.3. As the financial year progresses capital investment decisions will change as new projects are brought into the programme and others will require re-profiling into future years. Therefore, the forecast borrowing need will also require revision and these matters are covered within section 5 of Appendix A.
- 4.4. The Council's investment strategy and approved criteria for making and managing investments remains fit for purpose and no changes are proposed within this Mid-Year Review report.

## 5. Alternative Options

- 5.1. The Council could request additional information before approving revisions to the prudential and treasury indicators.

## 6. Implications

<b>Resources:</b>	Financial implications are contained within Appendix A. No adjustments to the council's treasury budgets for debt costs or investment income are proposed.
<b>Legal and Governance:</b>	The Council will not be compliant with the CIPFA Code of Practice if a Mid-Year Review report is not presented and approved. The Council is also required to have a prudent MRP Policy in place
<b>Risk:</b>	This information is contained within the Appendix
<b>Equality:</b>	No direct implications arising from the recommendations
<b>Health and Wellbeing:</b>	No direct implications arising from the recommendations
<b>Social Value:</b>	No direct implications arising from the recommendations



<b>Climate Change:</b>	No direct implications arising from the recommendations
<b>Corporate Parenting:</b>	No direct implications arising from the recommendations

## 7. Appendices

Appendix A – Treasury Management Mid-Year Review 2023/24

## 8. Background Papers

Cabinet 6 December 2023, Q2 Budget Monitoring Report 2023/24  
(Appendix 10f)

