

LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	Council 19 October 2023
Report Title	2023-24 Treasury Management Mid-Year Review
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Wards affected	None
Public Access	Open
Appendix	2023-24 Treasury Management Mid-Year Review

1. SUMMARY

This report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management requires the Council to report on treasury management activities to Full Council at least twice a year (Mid-year and Year end). The Council's Treasury Management Strategy Statement (TMSS) for 2023/24 was approved at the Full Council on the 2nd March 2023. This committee has been provided with training as recommended by the CIPFA Code of Practice. The Member's training will take place prior to this meeting commencement.

The Council's Committee are asked to approve the 2023-24 Treasury Management Mid-Year Report. This report covers the following: -

- An economic update for the first six months of the current financial year
- A review of the Treasury Management Strategy and Annual Investment Strategy
- The Authority's capital expenditure
- A review of the Council's investments portfolio as at 30th September 2023
- A review of the Council's borrowing strategy for 2023/24
- A review of any debt rescheduling undertaken during 2023/24
- A review of compliance with Treasury and Prudential Limits for 2023/24.

The Key highlights of the Mid-Year report are as follow:

- 1.1 The Council held £89.8m of investments as at 30th September 2023. The Council maintained an average investments balance of £96m and the average interest earned for the first six months of the year was 4.81% against a benchmark of o/n average SONIA (Sterling Overnight interbank average rate) at 4.71%.
- 1.2 The debts portfolio as at 30th September 2023 was £388.1m with an average interest payable of 3.90% and an average maturity of 27 years. The Council did not execute any long-term borrowing for the 6 months period to 30th September 2023.
- 1.3 All treasury management activities within the first half of the year have been in accordance with the approved limits and prudential indicators as set out in the Treasury Management Strategy Statement 2023/24. There was no breach of the Council's prudential indicators and treasury indicators.

2. RECOMMENDATIONS

- 2.1 Audit and Governance Committee recommend that Council **agree** the treasury management activities from 1st April 2023 to 30th September 2023 as detailed in 2023-24 Treasury Management Mid -Year Report.

3. PROPOSALS

- 3.1 Treasury Management in the context of the report is defined as:
“The Management of the local authority’s 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.” (CIPFA Treasury Management Code of Practice 2021).
- 4.2. The Council has powers under Part 1 of the Local Government Act 2003 to borrow (i.e. prudential borrowing) and invest money in accordance with statute. In carrying out these functions, the Council is required to have regard to statutory guidance, which is currently found in the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice. As this is statutory guidance, the Council should follow the guidance unless there is good reason not to. The Guidance requires the Council to agree a treasury strategy for borrowing and to prepare an annual investment strategy, an interim report, and an annual treasury management review.
- 4.3 The attached appendix is presented to the Council to approve the mid-year Treasury Management Strategy. The report includes details of the forecasted outturn for capital expenditure, as well as borrowing and investment forecasts based on cash flow and the capital expenditure.

4. CONSULTATION

- 4.1 The Treasury Management Team and Treasury Strategy Group are consulted on the content of this report. Members of these groups includes the following officers: Strategic Director of Resources, Deputy

S151 Officer, Asst. Director of Pensions and Treasury, Chief Accountant, Strategic Finance Advisers and Treasury Manager. The report has been considered by the Audit and Governance Committee.

5. IMPLICATIONS

5.1 Finance, Value for Money and Risk

5.1.1 This report details financial activity and possible future proposals in respect of treasury strategy. Any proposed changes will be made to maximise the value and effective utilisation of the Council's finances and in accordance with CIPFA's Code of Practice.

5.2 Legal

5.2.1 The Council's constitution provides that all money held by the Council shall be aggregated for the purposes of Treasury Management and shall be under the control of the officer responsible for the proper administration of the Council's financial affairs the Strategic Director of Resources (Section 151 officer).

5.2.2 This report sets out the Council's position regarding its legal requirements under the CIPFA Prudential Code, Code of Practice on Treasury Management in Local Government, and other regulations.

5.3 Equalities and Diversity

5.3.1 There are no specific implications

5.4 Sustainability (including climate change, health, crime and disorder)

5.4.1 There are no specific implications.

5.5 Council Infrastructure

5.5.1 There are no specific implications.

BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)

There are no background papers for this report which require listing.