

Treasury Management – Annual Report 2022-2023 and Activity Monitoring 2023-2024

12 October 2023

Treasury Management

This report provides an update on the Treasury Management activities for year ending 2022-2023 and for the first quarter of 2023-2024 for both the General Fund and the Housing Revenue Account

The report was presented to Cabinet on 12 July 2023 and Full Council on 19 July 2023

Treasury Management

CIPFA define Treasury Management as the:

‘Management of the organisation’s borrowing, investments and cash flows, including 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.’

Prudential Indicators

- The Council is required to set a number of prudential and treasury management indicators which are approved by Full Council each year
- An update on these indicators is provided during the year in the quarterly monitoring activity reports
- Examples of Prudential Indicators we report on are:
 - Capital expenditure –directly linked to the Capital Programme
 - Capital financing requirements (underlying need to borrow)
 - Authorised borrowing limits
 - Gross debt and the capital financing requirements
 - Financing capital expenditure as a % of net revenue

Borrowing

- We can only borrow for capital purposes
- We borrow for both the General Fund and HRA (HRA borrowing is funded from rents)
- We have not undertaken any new borrowing since March 2019

Out-turn Position 2022-2023 – General Fund and HRA

We operated within our prudential and treasury indicators

No new borrowing undertaken since March 2019.

Repaid loans of £10.2 million during 2022-2023

At the end of 2022-2023 borrowing stood at £710.2 million across both the General Fund and HRA

Out-turn Position 2022-2023 – General Fund and HRA

Treasury Management budget:

This budget covers both interest payments due and funds that are set aside to repay loans when they fall due (known as minimum revenue provision (MRP))

	Approved Budget £000	Outturn £000	Variance £000
General Fund	40,265	36,714	(3,551)
HRA	10,238	10,937	699
Total	50,503	47,651	(2,852)

Forecast Position 2023-2024 - General Fund and HRA

Further loans repaid totalling £7.1 million between April to June 2023

Borrowing stood at £703.2 million at end of June 2023

Current forecasts are that no new external borrowing is required in this financial year

Treasury management activities for both the General Fund and HRA are projected to be within budget.

The budget for General Fund activities is £40.3 million and the HRA is £14.7 million.

Any Questions?

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