

East Herts Council Report

Audit and Governance Committee

Date of meeting: 29 November 2023

Report by: Executive Member for Financial Sustainability

Report title: Annual Treasury Management Review 2022/23

Ward(s) affected: All

Summary – The report contains the Council’s Annual Treasury Management Review for 2022/23.

RECOMMENDATIONS FOR AUDIT & GOVERNANCE COMMITTEE:

A) Members examine and comment on the Annual Treasury Management Review and Prudential Indicators for 2022/23 prior to its presentation to Full Council for approval.

1.0 Proposal(s)

1.1 That Members examine and comment on the Annual Treasury Management Review and Prudential Indicators for 2022/23 (Appendix A).

2.0 Background

2.1 Treasury management is defined as: ‘The management of the Council’s investments and cash flows, its banking arrangements, money market and capital transactions; the effective control of the risks associated with these activities; and the pursuit of optimum returns consistent with the Council’s risk management policy for treasury management.

2.2 This activity was supported by the council’s appointed

independent advisors – Link Asset Services. A competitive tender for Treasury Advisors was undertaken in September 2023 which resulted in the appointment of Arlingclose Limited as Treasury Advisors for the next 3 years.

2.3 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).

2.4 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

3.0 Reason

3.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2022/23.

4.0 Options

4.1 Members can suggest amendments or additions to the Annual Treasury Management Review 2022/23

5.0 Risks

5.1 Risk management is embedded in treasury management operations through the adoption of the CIPFA Treasury Management Code. Credit ratings, other market intelligence and counterparty limits assist to assess and mitigate risk.

6.0 Implications/Consultations

6.1 None.

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

Yes - the implications are contained within the annual review at Appendix A. The costs of treasury operations, debt management expenses and investment income are included in the base budget.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

Yes - The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code for Capital Finance in Local Authorities 2017 Edition and to set Prudential

Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Council also has to 'have regard' to the MHCLG's Guidance on Local Government Investments 3rd Edition effective for financial periods commencing on or after 1st April 2018, and to CIPFA's Treasury Management in the Public Services: Code of Practice 2017 Edition and Guidance Notes for Local Authorities 2018 Edition.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 Appendix A – Annual Treasury Management Review
2022-23

Contact Member

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