

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Audit & Standards Committee
27 July 2020

Report Title: Treasury Management Annual Report 2019/20

Submitted by: Head of Finance

Portfolios: Finance and Efficiency

Ward(s) affected: All

Purpose of the Report

To receive the Treasury Management Annual Report for 2019/20 and to review the Treasury Management activity for this period.

Recommendation

That the Treasury Management Report for 2019/20 be received and be reported to Full Council on 23 September 2020.

Reasons

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management recommends that Members should be informed on Treasury Management activities at least twice a year. Full Council resolved that the Audit and Standards Committee would monitor and oversee the delivery of the Treasury Management Strategy through the receipt of half yearly and year end Treasury Management Reports. Following submission to the Audit and Standards Committee the Treasury Management Annual Report will be reported to Full Council on 23 September 2020.

1. **Background**

- 1.1 The CIPFA Code of Practice on Treasury Management recommends that Members should be informed on Treasury Management activities at least twice a year. It was resolved that the Audit and Standards Committee would monitor and oversee the delivery of the Treasury Management Strategy through the receipt of half yearly and year end Treasury Management Reports.
- 1.2 This report therefore ensures that this Council is embracing Best Practice in accordance with CIPFA's recommendations in the CIPFA Code of Practice.
- 1.3 Treasury Management operations are carried out in accordance with policies laid down in the currently approved Treasury Management Policy Statement, backed up by approved Treasury Management Practices and Schedules thereto, and the Annual Treasury Management Strategy Report for 2019/20 approved by Council on 20 February 2019.
- 1.4 The Council is provided with Treasury Management Advisory services for the period 1 April 2020 to 31 March 2021 by Arlingclose Ltd.

2. **Issues**

2.1 The Treasury Management Annual Report for 2019/20 is attached at Appendix 1. The economic background and economic forecast included in the report has been provided by the Council's Treasury Management Advisors, Arlingclose Ltd.

3. **Proposal**

3.1 That the Treasury Management Report for 2019/20 be received and be reported to Full Council on 23 September 2020.

4. **Reasons for Proposed Solution**

4.1 In line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

5. **Options Considered**

5.1 There are no specific options to consider.

6. **Legal and Statutory Implications**

6.1 See Background for details.

7. **Equality Impact Assessment**

7.1 Not applicable

8. **Financial and Resource Implications**

8.1 There are no specific financial implications arising from the report.

9. **Major Risks**

9.1 Treasury management is a major area of risk for the Council in that large amounts of money are dealt with on a daily basis and there are a number of limits and indicators, which must be complied with.

9.2 The overriding consideration in determining where to place the Council's surplus funds is to safeguard the Council's capital. Within this constraint the aim is to maximise the return on capital.

9.3 Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.

10. **Sustainability and Climate Change Implications**

10.1 Not applicable

11. **Key Decision Information**

11.1 Not applicable.

12. **Earlier Cabinet/Committee Resolutions**

12.1 Not applicable.

13. **List of Appendices**

13.1 Appendix 1, Treasury Management Annual Report 2019/20.

14. **Background Papers**

14.1 CIPFA Treasury Management Code of Practice,

14.2 Council's Treasury Management Policy Statement,

14.3 Council's Treasury Management Strategy,

14.4 Local Government Act 2003,

14.5 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003,

14.6 Ministry of Housing, Communities and Local Government's revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision

14.7 Arlingclose Ltd. Treasury Management Outturn Report template