

Report of Head of Democratic Services

Report to Scrutiny Board (Strategy and Resources)

Date: 22 July 2020

Subject: Treasury Management Outturn Report 2019/20

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

1.1 The purpose of this report is to provide Board Members with details of the Council's Treasury Management Outturn position for 2019/20.

2. Background information

2.1 Each year the Council's Treasury Management Outturn position is reported to the Executive Board. Previously this report has also been shared with the Strategy and Resources Scrutiny Board in view of the following Executive functions falling within the Scrutiny Board's remit:

- Setting, supporting and monitoring the Council's financial strategy;
- Managing effective financial management and controls.

3. Main issues

3.1 Details of the Council's Treasury Management Outturn position for 2019/20 was reflected in a report to the Executive Board at its meeting on 24 June 2020. This report is appended for the Board's consideration (Appendix 1).

3.2 As noted above the substantive report is appended to provide full details to board members, however key points to note include; net external debt at 31st March 2020 was £2,162m, £47m lower than the February 2020 forecast, debt and liabilities

should be viewed in the context of the Council's assets which were valued at £5.6bn as at 31st March 2019, the level of debt has remained within the authorised limit and operational boundary as approved by the Council in February 2020 and the average rate of interest paid on the Council's external debt was 3.30% for 2019/20 compared to 3.28% for 2018/19.

- 3.3 Appropriate senior officers have been invited to the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Treasury Management Outturn report is an update on strategy as presented to Executive Board in February and as such, no consultation has taken place. However, consultation with the Council's treasury advisors takes place regularly throughout the year and the Strategy and Resources Scrutiny Board is also given the opportunity to provide any comment on aspects of the outturn position in accordance with its remit.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 Equality, diversity, cohesion and integration requirements are addressed as part of individual capital scheme and programme approvals. The borrowing to deliver these capital schemes is executed through treasury strategy and as such there are no further equality, diversity, cohesion and integration issues.

4.3 Council policies and the Best Council Plan

- 4.3.1 Treasury management strategy secures funding for the council's capital programme that supports the authority's policies and priorities as set out in the Best Council Plan.

Climate Emergency

- 4.3.2 As the Treasury Management strategy secures funding for the Council's capital programme, the impact of the Council's activity and implications for the climate emergency will be considered in each individual capital programme and scheme project report.

4.4 Resources, procurement and value for money

- 4.4.1 The attached report on the treasury strategy recognises the borrowing necessary to fund the capital programme requirements of both General Fund and HRA. The revenue costs of borrowing are included within the revenue budgets of the General Fund and HRA

4.5 Legal implications, access to information, and call-in

- 4.5.1 There are no legal implications arising from this report. In accordance with the Council's Budget and Policy Framework, decisions on borrowing limits, treasury

management indicators, investment limits and the Treasury management Policy Statement are approved by Council.

4.6 Risk management

4.6.1 The attached report sets out performance against the 2019/20 treasury strategy. The execution of strategy and associated risks are kept under regular review through:

- Monthly monitoring of debt costs and reporting forms part of the monthly update on the Council's Revenue position to Executive Board.
- Quarterly strategy meetings with the Director of Resources and the Council's treasury advisors.
- Regular market, economic and financial instrument updates and access to real time market information.

5. Conclusions

5.1 Details of the Council's Treasury Management Outturn position for 2019/20 were reflected in a report to the Executive Board at its meeting on 24 June 2020 and this report is now appended for the Board's consideration in accordance with its terms of reference.

6. Recommendation

6.1 That the Scrutiny Board considers the relevant information within the attached Executive Board report and agrees any specific scrutiny actions that may be appropriate.

7. Background documents¹

7.1 None.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.