

North East Derbyshire District Council

Cabinet

18 July 2024

Treasury Management Financial Outturn 2023/24

Report of Councillor P Kerry, Deputy Leader & Portfolio Holder for Strategic Leadership and Finance

Classification: This report is public

Report By: Jayne Dethick, Director of Finance and Resources (S151 Officer)

Contact Officer: Jayne Dethick

PURPOSE/SUMMARY

To inform Cabinet of the Treasury Management outturn position for 2023/24.

RECOMMENDATIONS

1. That Cabinet note the outturn position in respect of the 2023/24 financial year.

Approved by the Portfolio Holder – Cllr Pat Kerry, Deputy Leader with responsibility for finance.

IMPLICATIONS

Finance and Risk

Yes ✓

No

These are detailed in the attached report.

On Behalf of the Section 151 Officer

Legal including Data Protection

Yes ✓

No

The Statement of Accounts is required to be prepared by the 30 September this year. The Council has now completed the draft Statement of Accounts and they have been signed off by the Chief Financial Officer as at 29 May 2024 which secures compliance with the Council's obligations.

On Behalf of the Solicitor to the Council

Staffing

Yes

No ✓

There are no staffing issues arising directly from this report.

On Behalf of the Head of Paid Service

DECISION INFORMATION

Decision Information	
Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Significantly Affected	None
Consultation: Leader / Deputy Leader <input type="checkbox"/> Cabinet <input type="checkbox"/> SMT <input checked="" type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes Details:

Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.
All

REPORT DETAILS**1 Background**

- 1.1 In January 2023, the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual outturn reports.
- 1.2 There is also a new requirement in the Code, which became mandatory from 1 April 2023, of quarterly reporting of the treasury management indicators and the prudential indicators.

1.3 Whilst treasury management updates have been provided for many years alongside the quarterly revenue and capital monitoring reports, the new requirements of the Code require more detailed reporting. Therefore, to meet these new requirements a separate treasury management outturn will be presented alongside the main financial outturn.

2. Treasury Management

2.1 The treasury management function covers the borrowing and investment of Council funds. All transactions are conducted in accordance with the Council's approved strategy and the CIPFA Code of Practice. Good treasury management plays an important role in the sound financial management of the Council's resources.

2.2 The Council approved the 2023/24 Treasury Management Strategy at its meeting on 30 January 2023. **Appendix 1** identifies the Treasury Management activity undertaken in 2023/24. This includes reporting on the treasury management indicators as required by the new Code such as the maturity structure of borrowing. In summary, the Council operated throughout 2023/24 within the Authorised Limit and Operational Boundary limits approved in the approved Treasury Management Strategy.

2.3 The key points from the summary report at **Appendix 1** are:

- The overall borrowing requirement of the Council was £198.988m at 31 March 2024.
- The PWLB debt is £142.809m at March 2024.
- Effective internal borrowing is £45.348m at 31 March 2024.
- No new PWLB borrowing was undertaken in 2023/24.
- Repaid PWLB debt in year of £4.112m.
- PWLB interest paid in year was £5.118m.
- Interest received in year on investments was £1.472m.

Prudential Indicators

2.3 As from 1 April 2023 there is a new requirement that monitoring of prudential indicators should be reported quarterly. Prudential Indicators are a means of demonstrating that capital expenditure plans are affordable to aid decision making. **Appendix 2** identifies the impact on the Prudential Indicators from the treasury management activity in 2023/24.

3 Reasons for Recommendation

3.1 The Council operated in line with its agreed Treasury Management Strategy during the 2023/24 financial year. This ensures that lending and borrowing arrangements were prudent and sustainable, minimising the risk of financial loss to the Council. Effective management of these arrangements ensured that interest costs during the year were minimised to assist the Council's revenue position whilst interest receivable increased slightly above budget due to increased interest rates.

4 Alternative Options and Reasons for Rejection

4.1 This report is primarily a factual report detailing the actual position against the Council's previously approved treasury management strategy. Accordingly, the report does not set out any options where a decision is required by Members.

DOCUMENT INFORMATION

Appendix No	Title
1	Treasury Management Outturn 2023/24
2	Prudential Indicators Outturn 2023/24
Background Papers	