



**Reigate & Banstead**  
BOROUGH COUNCIL  
Banstead | Horley | Redhill | Reigate

<b>SIGNED OFF BY</b>	<b>Chief Finance Officer</b>
<b>AUTHOR</b>	Jacque Aboagye, Finance Manager
<b>TELEPHONE</b>	Tel: 01737 276302
<b>EMAIL</b>	Jacqueline.Aboagye@reigate-banstead.gov.uk
<b>TO</b>	Audit Committee Executive Council
<b>DATE</b>	Wednesday, 7 September 2022 Thursday, 15 September 2022 Thursday, 22 September 2022
<b>EXECUTIVE MEMBER</b>	Portfolio holder for Finance & Governance

<b>KEY DECISION REQUIRED</b>	Yes
<b>WARDS AFFECTED</b>	(All Wards);

<b>SUBJECT</b>	Treasury Management Outturn Report 2021/22
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<b>RECOMMENDATIONS</b>
<b>RECOMMENDATIONS:</b> <b>That Audit Committee:</b> <ul style="list-style-type: none"><li>(i) <b>Note the Treasury Management Performance for 2021/22 and provide any feedback for consideration by Executive;</b></li></ul> <b>That Executive:</b> <ul style="list-style-type: none"><li>(i) <b>Note the Treasury Management Performance for 2021/22;</b></li><li>(ii) <b>Recommend that Council approves the outturn against the 2021/22 Prudential and Treasury Management Indicators and the Annual Treasury Management Report (Annex 1).</b></li></ul> <b>That Council</b> <ul style="list-style-type: none"><li>(i) <b>Approves the outturn against the 2021/22 Prudential and Treasury Management Indicators and the Annual Treasury Management Report (Annex 1)</b></li></ul>
<b>REASONS FOR RECOMMENDATIONS</b>

This report confirms compliance with the requirements of the regulatory framework for treasury management.

The Council is required to receive and approve, as a minimum, three treasury reports each year, which incorporate relevant policies, estimates and actuals:

- (i) **Prudential and Treasury Indicators and Treasury Strategy** – sets the framework for treasury management activities in the following financial year.

The Treasury Management Strategy and Performance Indicators for 2021/22 were approved by Council on 8 April 2021.

- (ii) **Mid-Year Treasury Management Report** – updates Members on the current borrowing and investment position, whilst amending prudential indicators and revising policies where necessary.

The mid-year report for 2021/22 was reported to Executive on 16 December 2021 and approved by Council on 10 February 2022.

- (iii) **Annual Treasury Management Outturn Report** – a backward-looking review focussing on the previous year's performance. This report.

## **EXECUTIVE SUMMARY**

This report sets out treasury management performance for 2021/22 including performance against the Prudential and Treasury Management Indicators.

It will be presented to Audit Committee on 7 September 2022 and Executive on 15 September 2022. Council will be asked to approve the recommendations on 22 September.

**Council has authority to approve the recommendations in this report.**

## **STATUTORY POWERS**

1. The Council operates its Treasury Management activity as an integral part of its statutory obligation to effectively manage the Council's finances under the Local Government Act 2003 and associated regulations.
2. Treasury Management activities are undertaken in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Treasury Management, the Prudential Code for Capital Finance in Local Authorities and the Government's Investment Guidance.  
CIPFA published revised Prudential and Treasury Management Codes on 20th December 2021. The formal reporting requirements of the revised Codes will be implemented in 2023/24.

## BACKGROUND

3. Regulations issued under the Local Government Act 2003 require local authorities to produce an annual review of its treasury management activities for the previous year, including performance against the Prudential and Treasury Management Indicators.

## KEY INFORMATION

### Treasury Management Strategy

4. Performance during 2021/22 is reported at Annex 1.

Audit Committee has two options

**Option 1** – note the report and provide any feedback for consideration by Executive.

**Option 2** – note the report but ask officers to provide more detail on specific issues contained in the report before it can be submitted to Executive.

Executive has three options:

**Option 1** – note the report and recommend its approval by Council.

**Option 2** – note the report but ask officers to provide more detail on specific issues contained in the report before it can be submitted to Council for approval.

**Option 3** – reject the report. This would result in non-compliance with the Treasury Management Code of practice and associated regulations.

Executive is asked to approve Option 1.

## LEGAL IMPLICATIONS

5. There are no direct legal implications arising from this report

## FINANCIAL IMPLICATIONS

6. The financial implications of the Treasury Outturn 2021/22 were reflected in the budget section of the Quarter 4 Performance Report to Executive on 23 June 2022. There are no additional direct financial implications that arise from this report.

## EQUALITIES IMPLICATIONS

7. There are no equalities implications arising from this report.

## COMMUNICATION IMPLICATIONS

8. There are no communications implications arising from this report.

## **ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS**

9. Investment decisions take into account the counter-party's environmental, social and governance (ESG) performance where possible.

## **RISK MANAGEMENT CONSIDERATIONS**

10. Key risks are managed in accordance with Prudential Code indicators, including ensuring Security, Liquidity and Yield for investments. Further details are provided at Annex 1.

## **CONSULTATION**

11. The report will be presented to the Audit Committee on 7 September 2022 for their observations.

## **POLICY FRAMEWORK**

12. This report is submitted in accordance with the Council's Treasury Management Policy.

## **BACKGROUND PAPERS**

- Executive 25 March 2021 – *Treasury Management Strategy 2021/22*
- Executive 16 December 2021– *Half Year Treasury Management Report for 2021/22*
- Executive 23 June 2022 – *Quarter 4 Performance Report 2021/22*