

## CABINET

27 July 2021

# ANNUAL REPORT ON TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS 2020/21

### Report of the Strategic Director for Resources

Strategic Aim:	All	
Key Decision: No	Forward Plan Reference: FP/160621	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr Karen Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
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Ward Councillors	N/A	

### DECISION RECOMMENDATIONS

That Cabinet:

1. Notes the actual 2020/21 prudential indicators within the report.
2. Notes that the treasury management stewardship for 2020/21 was in compliance with the treasury management strategy.

## 1 PURPOSE OF THE REPORT

- 1.1 Report 05/2020 set the Treasury Management Strategy for 2020/21 linked to the Council's Budget, Medium Term Financial Plan and Capital Plans. It is inextricably linked to delivering the Council's aims and objectives.
- 1.2 This report sets out how the Council has performed against the Strategy.

## 2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The Council's annual treasury report in Appendix A includes information on the performance of the treasury management service. The key points to note in year are:

- The Council has invested with institutions as determined by the revised creditworthiness criteria approved by the Section 151 Officer;
- The Council made a return on investment of 0.50% compared to the LIBOR rate of 0.11% (Appendix A, paragraph 2.3.1 refers);
- The Council did not undertake any external borrowing in year and therefore did not breach the operational boundary for borrowing (£28m) (Appendix A, paragraph 3.4.3 refers);
- No external debt was repaid early as there was not a financial business case to do so (Appendix A, paragraph 3.4.3 refers); and
- No commercial Investments were made in 2020/21 as no suitable opportunities were identified.

### **3 CONSULTATION**

3.1 No formal consultation is required.

### **4 ALTERNATIVE OPTIONS**

4.1 This report is for noting there are no alternative options.

### **5 FINANCIAL IMPLICATIONS**

5.1 There are no financial implications arising from this report.

### **6 LEGAL AND GOVERNANCE CONSIDERATIONS**

6.1 The report meets the requirements of both the CIPFA Code of Practice on Treasury Management, the CIPFA Prudential Code for Capital Finance in Local Authorities and the Council's Financial Procedure Rules. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

6.2 The Council's treasury management activities for 2020/21 were regulated by a variety of professional codes, statutes and guidance (which were updated for 2019/20):

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken;
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;

- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act MHCLG has issued Investment Guidance to structure and regulate the Council's investment activities; and
- Under Section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8 November 2007.

6.3 The Council's Treasury Management Strategy explains how it intends to comply with the legal framework and this annual report confirms compliance.

## **7 DATA PROTECTION IMPLICATIONS**

7.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

## **8 EQUALITY IMPACT ASSESSMENT**

8.1 An Equality Impact Assessment (EqIA) has not been completed because there are no service, policy or organisational changes being proposed.

## **9 COMMUNITY SAFETY IMPLICATIONS**

9.1 There are no community safety implications.

## **10 HEALTH AND WELLBEING IMPLICATIONS**

10.1 There are no health and wellbeing implications.

## **11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

11.1 The report summarises treasury management performance in the year and meets the requirements set out in section 6.

## **12 BACKGROUND PAPERS**

12.1 Statement of Accounts 2020/21.

## **13 APPENDICES**

- 13.1 Appendix A - Treasury Management Annual Report
- 13.2 Appendix B - Link Commentary on 2020/21
- 13.3 Appendix C - Glossary

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.