
TREASURY MANAGEMENT MID-YEAR REPORT 2023/24

Report by Director of Finance & Procurement

AUDIT COMMITTEE

13 November 2023

1 PURPOSE AND SUMMARY

- 1.1 This report presents the mid-year report of treasury management activities for 2023/24, in line with the requirements of the CIPFA Code of Practice, including Prudential and Treasury Management Indicators, and seeks comments from Audit Committee prior to consideration of the report by Council.**
- 1.2 The report is required as part of the Council's treasury management control regime. It provides a mid-year report on the Council's treasury activity during the six month period to 30 September 2023 and demonstrates that Treasury activity in the first six months of 2023/24 has been undertaken in full compliance with the approved Treasury Strategy and Policy for the year.
- 1.3 Appendix 1 contains an analysis of the performance against the targets set in relation to Prudential and Treasury Management Indicators, and proposes revised estimates of these indicators in light of the 2022/23 out-turn and experience in 2023/24 to date for Council approval.

2 RECOMMENDATIONS

2.1 It is recommended that the Audit Committee:

- (a) Notes that treasury management activity in the six months to 30 September 2023 was carried out in compliance with the approved Treasury Management Strategy and Policy.**
- (b) Agrees to the presentation of the Treasury Management Mid-Year Report 2023/24, as contained in Appendix 1, to Council for approval of the revised indicators.**

3 BACKGROUND

- 3.1 The Council approved the Annual Treasury Management Strategy (the Strategy) for 2023/24 at the Council on 23 February 2023. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 3.2 As set out in the annual Treasury Strategy, the Audit and Scrutiny Committee has a role to scrutinise the Mid Year Report before submission to Council for final approval.

4 TREASURY MANAGEMENT MID-YEAR REPORT 2023/24

- 4.1 The Treasury Management Mid-Year Report for 2023/24 (the Mid-Year Report) is contained in Appendix 1. All of the 2023/24 target indicators reported upon are based on the indicators agreed as part of the Strategy approved by Council on 23 February 2023.
- 4.2 The Mid-Year Report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:
- (a) An economic update for the first six months of 2023/24;
 - (b) A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - (c) The Council's capital expenditure (prudential indicators);
 - (d) A review of the Council's investment portfolio for 2023/24;
 - (e) A review of the Council's borrowing strategy for 2023/24; and
 - (f) A review of compliance with Treasury and Prudential Limits for 2023/24.
- 4.3 The Mid-Year Report at Annex A contains revised Prudential and Treasury Management Indicators for consideration prior to Council approval.
- 4.4 The Mid-Year Report indicates that the Council's Treasury Management activities are being managed and monitored within the agreed boundaries and indicators approved by the Council.

5 IMPLICATIONS

5.1 Financial

There are no further financial implications relating to this report. The outcomes from the Council's treasury management activities are explained in detail within Appendix 1.

5.2 Risk and Mitigations

This report is an account of the outcomes delivered at the six month stage from the tightly controlled risk management work that the Council's Treasury staff have carried out; Appendix 1 gives further detail on these controls. The report is an important element of the overall risk management environment but has no specific risk implications of its own.

5.3 **Integrated Impact Assessment**

There is no impact or relevance to Equality Duty or the Fairer Scotland Duty for this report. This is a routine financial monitoring report which forms part of the governance of the Treasury function within the Council. Nevertheless, a light touch assessment has been conducted and this will be published on SBC's Equality and Diversity Pages of the website as in doing so, signifies that equality, diversity and socio-economic factors have duly been considered when preparing this report.

5.4 **Sustainable Development Goals**

There are no direct economic, social or environmental issues with this report which would affect the Council's sustainability policy.

5.5 **Climate Change**

There are no direct carbon emissions impacts as a result of this report.

5.6 **Rural Proofing**

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

5.7 **Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

5.8 **Changes to Scheme of Administration or Scheme of Delegation**

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

6 **CONSULTATION**

- 6.1 The Chief Legal Officer (including as Monitoring Officer), the Chief Officer Audit and Risk, Director People Performance & Change, Communications and the Clerk to the Council are being consulted and any comments will be reported to the meeting.

Approved by

Suzy Douglas

Signature

Author(s)

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Background Papers:

Previous Minute Reference: Scottish Borders Council, 23 February 2023

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