

Treasury Management Strategy Statement 2022/23

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Purpose of the Report

1. The purpose of this report is to inform Members of the recommended strategy in relation to investments and treasury management activities. The Committee is requested to review the draft annual Treasury Management Strategy Statement, the Prudential Indicators and MRP statement which are due to be submitted to full Council for approval in February 2022.

Forward Plan

2. This report appeared on the Audit Committee Forward Plan with an anticipated Committee date of 16th February 2022.

Public Interest

3. In line with regulatory guidance, annually the Council is required to produce a Capital Strategy, an Investment Strategy and a Treasury Management Strategy.

Recommendations

4. That the Audit Committee:
 - a. reviews and recommends that the Full Council approves the 2022/23 Treasury Management Strategy Statement;
 - b. reviews and recommends the proposed borrowing and investment limits;
 - c. notes the Minimum Revenue Provision statement for 2022/23.

Background

5. In line with regulatory guidance, annually the Council is required to produce a Capital Strategy, an Investment Strategy and a Treasury Management Strategy.



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6. The strategy is reviewed and updated to take account of any legislative changes required and to provide updated estimates, and actual financial information where available.
7. As per the terms of reference, the Audit Committee is required to review the draft Treasury Management Strategy.
8. It should be noted that the terms of reference for Audit Committee in respect of Treasury Management is to:

'provide a scrutiny role in Treasury Management matters including regular monitoring of treasury activity and practices. The Committee will also review and

Recommend the Annual Treasury Management Strategy Statement and Investment Strategy, MRP Strategy, and Prudential Indicators.'

9. The remainder of this report provides an overview of the information included in the attached strategy document.

Treasury Strategy Statement

- The current and forecast position of the Council's borrowing requirement and investments.
- Details of the proposed borrowing strategy including the objectives of the strategy and information on the approved sources of long-term and short-term borrowing.
- Information on the treasury investment strategy and counterparty types, the cash limits and the time limits applicable per counterparty.
- Proposed Treasury Management indicators which measure and manage exposure to treasury management risk.

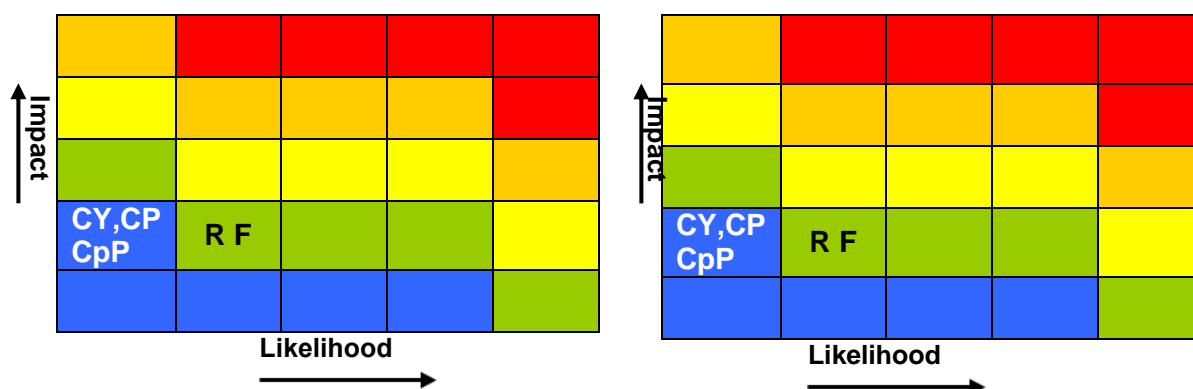
Minimum Revenue Provision (MRP) Statement

- The MRP statement includes details on voluntary overpayments of MRP which is not included in the current MRP policy. Voluntary overpayments can be made in a financial year with the impact of the overpayment being a reduction in the charge to revenue in future years.
- The statement provides information on the process of determining if an MRP overpayment can be made in a particular year. This has not occurred in recent years.

10. The proposed strategies align with the 2022/23 Capital Programme and the updated Medium Term Financial Plan, those reports seek to establish approval of spending and funding requirements to meet the Council’s priorities. This report establishes the borrowing and investment limits that are considered to be prudent and affordable in meeting those plans.
11. There are no additional financial implications in reviewing the attached treasury management strategy.

Risk Matrix

Risk Profile before officer recommendations Risk Profile after officer recommendations



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R - Reputation	High impact and high probability
CpP - Corporate Plan Priorities	Major impact and major probability
CP - Community Priorities	Moderate impact and moderate probability
CY - Capacity	Minor impact and minor probability
F - Financial	Insignificant impact and insignificant probability

Council Plan Implications

The proposed treasury management strategy aligns with the 2022/23 Capital Programme and the updated Medium Term Financial Plan which is closely linked to the Council Plan. The strategies establish the borrowing and investment limits that are considered to be prudent and affordable and directly contribute to maintaining financial resilience which will enable the council to continue to fund its priorities for the local community.

Carbon Emissions and Climate Change Implications

12. There are no implications in approving this report.



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Equality and Diversity Implications

13. There are no implications in approving this report

Privacy Impact Assessment

14. There is no personal information included in this report.

Background Papers

15. The background papers relevant to the report are:

- CIPFA Treasury Management Code of Practice
 - CIPFA Prudential Code
 - Treasury Management Practices
 - CIPFA Prudential Code (revised December 2021)
 - Statutory guidance on Local Government Investments (revised February 2018)
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