

Decision Report - Executive Decision

Forward Plan Reference: FP/23/06/11

Decision Date – 14/07/2023

Key Decision – yes



Annual Treasury Management Outturn Report 2022-23

Executive Member(s): Cllr Leyshon – Executive Lead for Resources

Local Member(s) and Division: All

Lead Officer: Jason Vaughan – Executive Director Resources and Corporate Services (Section 151 Officer)

Author: Anton Sweet – Funds & Investments Manager

Contact Details: anton.sweet@somerset.gov.uk or (01823) 359584

Summary / Background

1. This attached appendices summarise the treasury management activities during 2022/23 for each of the 5 legacy councils that now make up Somerset Council, as required, to ensure compliance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve a treasury management annual report after the end of each financial year. This report:
 - Is prepared in accordance with the CIPFA Treasury Management Code and the Prudential Code.
 - Gives details of the outturn position on treasury management transactions in 2022-23.
 - Presents details of capital financing, borrowing, and investment activity.
 - Reports on the risk implications of treasury decisions and transactions.

Appended to this covering report are the individual outturn reports for each of the 5 legacy Councils as follows:

- Somerset County Council (appendix 1)
- Mendip District Council (appendix 2)
- Sedgemoor District Council (appendix 3)
- Somerset West and Taunton Council (appendix 4)
- South Somerset District Council (appendix 5)

The individual outturn reports have been prepared by the officers that undertook treasury for each of the legacy councils on the templates those councils used.

The CIPFA codes require as a minimum a mid-year and full year outturn. The mid-year report for Somerset Council will be produced before the end of fiscal Q3. The Treasury Strategy for Somerset Council for 2023-24 was approved by Full Council in February 2023.

Consolidated position as at 31 March 2023

Investments

£m	MDC	SDC	SWT	SSDC	SCC	Total
Money Market Funds	15.2	4.4	0.0	0.0	16.8	36.4
Notice Bank Accounts	5.0	1.6	0.0	0.0	0.0	6.6
Bank deposits	0.0	0.0	0.0	0.0	70.0	70.0
Intra unitary deposits	5.0	0.0	0.0	0.0	48.0	53.0
Time Deposits - LAs	0.0	0.0	1.3	0.0	65.0	66.3
Strategic Funds*	0.0	31.0	17.0	23.5	45.0	116.5
Total	25.2	37.0	18.3	23.5	244.8	348.8

*Strategic funds are shown at cost

Borrowing

£m	MDC	SDC	SWT	SSDC	SCC	Total
Intra unitary	0.0	34.0	6.0	13.0	0.0	53.0
Local Authority	0.0	10.0	78.0	118.5	0.0	206.5
PWLB	62.8	71.1	87.5	0.0	159.1	380.5
Fixed rate bank	0.0	0.0	3.0	0.0	57.5	60.5
LOBO bank	0.0	0.0	0.0	0.0	108.0	108.0
Total	62.8	115.1	174.5	131.5	324.6	808.5

Recommendations

2. That the Executive approves the report as being in compliance with the CIPFA Code of Practice for Treasury Management and recommends it to Full Council at the next available meeting.

Reasons for recommendations

3. The Local Government Act 2003 requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services.
4. The Code requires Full Council to receive as a minimum, an annual strategy and plan in advance of the year, a mid-year review, and an annual report after its close. This is the full-year review for the 2022-23 financial year.

Other options considered

5. None. The adoption of the Treasury Management full year review for 2022-23 is a regulatory requirement.

Links to Council Plan and Medium-Term Financial Plan

6. Effective Treasury Management provides support to the range of business and service level objectives that together help to deliver the Somerset County Plan.

Financial and Risk Implications

7. There are no specific financial or risk implications associated with this outturn report. The risks associated with Treasury Management are dealt with in the Annual Treasury Management Strategy, Annual Investment Strategy, and Treasury Management Practice (TMPs) documents.

Legal Implications

8. Treasury Management must operate within specified legal and regulatory parameters as set out in the summary, and in more detail in the TMPs.

HR Implications

9. There are no HR implications.

Other Implications:

Equalities Implications

10. There are no equalities implications.

Community Safety Implications

11. There are no community safety implications.

Climate Change and Sustainability Implications

12. There are no climate change or sustainability implications.

Health and Safety Implications

13. There are no health and safety implications.

Health and Wellbeing Implications

14. There are no health and wellbeing implications.

Social Value

15. Not applicable

Scrutiny comments / recommendations:

16. The Audit Committee is the body responsible for ensuring effective scrutiny of the treasury management strategy and policies. They approved the Treasury Management strategy for the year and have recently approved updated Treasury Management Practices.

Background papers

17. Treasury Management Strategy Statement 2022-23 and appendices. These were approved by each Full Council prior to the start of the 2022-23 financial year.

Note: For sight of individual background papers please contact the report author.

Report Sign-Off

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	19/09/2023
Communications	Peter Elliot	25/09/2023
Finance & Procurement	Jason Vaughan	19/09/2023
Workforce	Alyn Jones	19/09/2023
Asset Management	Oliver Woodhams	22/9/2023
Executive Director / Senior Manager	Jason Vaughan	22/9/2023
Strategy & Performance	Alyn Jones	19/09/2023
Executive Lead Member	Liz Leyshon	24/09/2023
Consulted:	Councillor Name	
Local Division Members	N/A	
Opposition Spokesperson	Mandy Chilcott	25/09/2023
Scrutiny Chair	Bob Filmer	Sent 22/09/23