

## **Somerset West and Taunton Council**

### **Audit, Governance and Standards Committee – 7 December 2020**

#### **Treasury Management Update – 30<sup>th</sup> September 2020**

**This matter is the responsibility of Executive Councillor Henley, Corporate Resources**

**Report Author: Steve Plenty, Finance Specialist**

#### **1 Executive Summary**

- 1.1 To provide Members with an update on the Treasury Management activity of the Council for the first six months of 2020/21. It focuses on a review of the Council's borrowing and investment activities.

#### **2 Recommendations**

- 2.1 To note the Treasury Management position as at 30<sup>th</sup> September 2020 (Appendix A attached to this report).

#### **3 Risk Assessment**

- 3.1 The Council has an agreed Treasury Management Strategy Statement (TMSS) and compliance is monitored throughout the financial year.

#### **4 Background and Full details of the Report**

- 4.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Audit, Governance and Standards Committee.
- 4.2 The Council's treasury management strategy for 2020/21 was approved at a meeting of the Council on 19<sup>th</sup> February 2020. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.
- 4.3 The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital

expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was also approved by full Council on 19<sup>th</sup> February 2020.

## **5 Links to Corporate Aims / Priorities**

5.1 The investment strategy supports the delivery of the Corporate Aims.

## **6 Finance / Resource Implications**

6.1 Any financial / resource implications are contained within the Appendix to this covering report.

## **7 Other Implications**

7.1 None for the purpose of this report.

### **Democratic Path:**

- **Audit, Governance and Standards Committee – 7<sup>th</sup> December 2020**
- **Full Council – Yes**

**Reporting Frequency: Annually**

### **List of Appendices**

Appendix A	Mid-Year Treasury Management Report
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