

# **TONBRIDGE & MALLING BOROUGH COUNCIL**

## **CABINET**

**16 October 2019**

### **Report of the Director of Finance and Transformation**

#### **Part 1- Public**

#### **Matters for Recommendation to Council**

#### **1 TREASURY MANAGEMENT UPDATE AND MID-YEAR REVIEW**

**A report detailing treasury management activity undertaken during the period April to August of the current financial year was considered by Audit Committee on 1 October. Following review by the Audit Committee, Cabinet are invited to recommend that Council endorse the action taken by officers in respect of treasury management activity to date and retain the current risk parameters.**

##### **1.1 Introduction**

1.1.1 At its meeting on 1 October 2019, the Audit Committee considered a report on treasury management activity from April to August 2019 and a review of the risk parameters.

1.1.2 The report to the Audit Committee can be found at **[Appendix 1]**.

1.1.3 After full consideration of the report, Audit Committee endorsed the action taken by officers in respect of treasury management activity for April to August 2019 and recommended that the existing parameters intended to limit the Council's exposure to investment risks should be retained.

##### **1.2 Legal Implications**

1.2.1 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority including securing effective arrangements for treasury management. In addition, Link are employed to provide independent advice on legislative and professional changes that impact on the treasury management function.

##### **1.3 Financial and Value for Money Considerations**

1.3.1 As set out in the report to Audit Committee. Investment income from cash flow and core cash at the end of August 2019 (month five of the financial year) is £44,800 better than budget for the same period. Subject to Bank Rate not falling below its current level this figure is expected to increase as the year progresses.

## 1.4 Risk Assessment

- 1.4.1 The application of best practice, including the regular reporting and scrutiny of treasury management activity, as identified by the CIPFA Code is considered to be an effective way of mitigating the risks associated with treasury management.

## 1.5 Equality Impact Assessment

- 1.5.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act

## 1.6 Recommendations

- 1.6.1 Cabinet is invited to **RECOMMEND** that Council:

- 1) Endorse the action taken by officers in respect of treasury management activity for the period April to August 2019.
- 2) Retain the existing parameters intended to limit the Council's exposure to investment risks.

Background papers:

contact: Michael Withey

[Link interest rate forecast \(August 2019\)](#)

[Link Benchmarking data \(June 2019\)](#)

Sharon Shelton

Director of Finance & Transformation