

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

12 October 2021

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Council

1 TREASURY MANAGEMENT UPDATE

Reports detailing treasury management activity undertaken during the period April to August of the current financial year plus the outturn for 2020/21 were considered by the Audit Committee at meetings on 26 July and 27 September. Following review by the Audit Committee, Cabinet are invited to recommend that Council note the outturn position for 2020/21, endorse the actions 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 meetings on 26 July and 27 September 2021, the Audit Committee considered reports on the treasury management outturn for 2020/21, activity from April to August 2021 and also reviewed the risk parameters contained in the Council's 2021/22 Treasury Management and Annual Investment Strategy.

1.1.2 After full consideration of the reports, Audit Committee:

- noted the outturn position,
- noted the £3m being applied to investment asset (diversified income) funds,
- endorsed the action taken by officers in respect of treasury management activity for April to August 2021;
- further recommended that the existing parameters intended to limit the Council's exposure to investment risks contained in the 2021/22 Strategy should be retained.

1.1.3 The detailed reports can be found on the website under the agendas of Audit Committee on 26 July and 27 September respectively. For completeness Audit Committee minute references are AU21/31 and AU21/43.

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 reports to Audit Committee.

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) Note the £3m being applied to investment asset (diversified income) funds;
- 2) Note the 2020/21 outturn position;
- 3) Endorse the action taken by officers in respect of treasury management activity for the period April to August 2021; and
- 4) Retain the existing parameters intended to limit the Council's exposure to investment risks.

Background papers:

contact: Donna Riley

Audit Committee reports 26 July 2021 and
27 September 2021

Sharon Shelton
Director of Finance & Transformation