

Report

Report to: **Executive Committee**
Date of Meeting: **21 September 2022**
Report by: **Chief Executive**

Subject: **Recommendations Referred by Finance and Corporate Resources Committee - Treasury Management Activity Report 2021/2022, Prudential Code Indicators and Annual Investment Report 2021/2022**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ request approval of the following recommendations referred to this Committee by the Finance and Corporate Resources Committee of 7 September 2022:-
 - ◆ that the Treasury Management Activity Report for 2021/2022 and the 2021/2022 Treasury Management and Prudential Code Indicators be noted
 - ◆ that the Council's Annual Investment Report for 2021/2022 be endorsed and referred to the Council for formal approval

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the recommendation of the Finance and Corporate Resources Committee of 7 September 2022 in relation to the Treasury Management Activity Report for 2021/2022 and the 2021/2022 Treasury Management and Prudential Code Indicators be noted; and
- (2) that the recommendation of the Finance and Corporate Resources Committee of 7 September 2022 in relation to the Annual Investment Report for 2020/2021 be endorsed and referred to the Council for formal approval.

3. Recommendation Referred by Finance and Corporate Resources Committee of 7 September 2022 – Treasury Management Activity for 2021/2022 and 2021/2022 Treasury Management and Prudential Code Indicators and Annual Investment Report 2021/2022 – Extract of Minute

3.1. A report dated 16 August 2022 by the Executive Director (Finance and Corporate Resources) was submitted on the:-

- ◆ Treasury Management Activity and Prudential Code indicators for 2021/2022
- ◆ proposed Annual Investment Strategy for 2021/2022

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management required the Council to prepare an annual report on its Treasury Management activities. The CIPFA Prudential Code required councils to prepare a series of financial indicators that demonstrated affordability, prudence and sustainability with regard to capital financing decisions.

The Council's Capital Programme included, within its funding package, planned borrowing. The Prudential Code provided a framework to assist the management of the financial implications and helped to demonstrate that borrowing was both affordable and prudent.

The Council's Treasury Management Activity Report for 2021/2022 and the Treasury Management and Prudential Code Indicators for 2021/2022 were attached as appendices 1 and 2, respectively, to the report.

In terms of the Local Government Investments (Scotland) Regulations 2010, the Council was required to prepare an Annual Investment Strategy prior to the start of each financial year and an Annual Investment Report after the financial year end. Both documents required to be approved by the Council.

The Annual Investment Strategy for 2021/2022 had covered the following areas:-

- ◆ permitted investments
- ◆ risk management
- ◆ borrowing in advance

The Annual Investment Report, attached as Appendix 3 to the report, detailed the Council's activity in each of those 3 areas for 2021/2022 and Appendix 4 detailed the permitted investments that the Council had approved for the financial year 2021/2022.

No borrowing in advance was taken during 2021/2022.

The Committee decided:

- (1) that the Treasury Management Activity Report for 2021/2022 and the 2021/2022 Treasury Management and Prudential Code Indicators be noted and referred to the Executive Committee for noting; and
- (2) that the 2021/2022 Annual Investment Report be endorsed and referred to the Executive Committee for endorsement prior to submission to the Council for formal approval in line with The Local Government Investments (Scotland) Regulations 2010.

4. Employee Implications

- 4.1. All employee implications were highlighted as part of the original reports to Resource Committee.

5. Financial Implications

- 5.1. All financial implications were highlighted as part of the original reports to Resource Committee.

6. Climate Change, Sustainability and Environmental Implications

- 6.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

7. Other Implications

- 7.1. Any risks or other implications were highlighted as part of the original reports to the Resource Committee.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. Equality impact assessment and consultation arrangements were highlighted as part of the original reports to the Resource Committees.
- 8.2. There is no requirement to carry out an Equality Impact Assessment or consultation in terms of the proposals contained in this report.

Cleland Sneddon
Chief Executive

7 September 2022

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Finance and Corporate Resources Committee of 7 September 2022 (Paragraph 10)

List of Background Papers

- ◆ Individual report to Resource Committee
- ◆ [..\..\Finance and Corporate Resources\Finance and Corporate Resources Committee\220907\Prudential Indicators Treasury Management Activity and Annual Investment Report 20212022 \(003\).doc](..\..\Finance and Corporate Resources\Finance and Corporate Resources Committee\220907\Prudential Indicators Treasury Management Activity and Annual Investment Report 20212022 (003).doc)

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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