

Meeting date: 26th September 2022

Report to: Audit Committee

Subject/report title: 2022/23 Mid-Year Treasury Management Strategy Review

Report from: Director of Resources and Deputy Chief Executive

Report author/lead contact officer: John Robinson – Treasury and Corporate Accountant
0121 704 6277
johnrobinson@solihull.gov.uk

Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege
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Public/private report: Public

Exempt by virtue of paragraph: N/A

1. Purpose of Report

- 1.1 For Audit Committee to consider the Mid-Year Treasury Management Strategy Review (as contained in Appendix A), the revisions to the original 2022/23 Treasury Management Strategy, and to note the treasury activities to date.

2. Decision(s) recommended

- 2.1 The Committee is asked to recommend that Council approves the revised forecasts for the 2022/23 Capital Financing Requirement of £490.060 million, Authorised Limit of £510.194 million and to note the Operational Boundary and treasury activity to date.

3. Matters for Consideration

- 3.1 The current CIPFA Code of Practice on Treasury Management requires that Full Council receive and approve a forward-looking annual treasury management strategy, a mid-year review of the treasury management strategy, and backward-looking annual treasury outturn report.

- 3.2 This report meets the requirement of a mid-year treasury review. It also incorporates the Prudential Code's requirement to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators. The Treasury Management Strategy and prudential indicators were previously reported to Audit Committee on 4th January 2022.
- 3.3 The purpose of the report supports the objectives in the CIPFA Code of Practice on Treasury Management and the Department for Levelling Up, Housing & Communities Investment Guidance. These state that Members should receive, and adequately scrutinise, the Treasury Management service.
- 3.4 The key issues of counterparty risk and market uncertainty remain, encouraging the Council to continue maintaining investments short-term and with high-quality counterparties.
- 3.5 The Director of Resources and Deputy Chief Executive can report that the bases of the Treasury Management Strategy, the Investment Strategy and the prudential indicators are not materially changed.
- 4. What options have been considered and what is the evidence telling us about them?**
- 4.1 N/A
- 5. Reasons for recommending preferred option**
- 5.1 N/A
- 6. Implications and Considerations**
- 6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
People and Communities: 1. Improving outcomes for children and young people in Solihull. 2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive.	The Treasury Management Strategy provides the framework to ensure Council funds are managed in an appropriate manner, thus supporting the delivery of the Council Plan priorities.
Economy: 5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres.	As above

Priority:	Contribution:
6. Maximising the opportunities of UK Central and HS2. 7. Increase the supply of affordable and social housing that is environmentally sustainable.	
Environment: 8. Enhance our natural environment, improve air quality and reduce net carbon emissions.	As above
9. Promote employee wellbeing	As above

6.2 Consultation and Scrutiny:

6.2.1 Audit Committee fulfils the scrutiny role for all treasury activity undertaken by the council.

6.3 Financial implications:

6.3.1 As set out in the report and appendices.

6.4 Legal implications:

6.4.1 Statutory requirements are set out in the report and appendices.

6.5 Risk implications, including Risk Appetite:

6.5.1 The Council's Treasury Management Strategy provides a robust framework for managing all of the risks associated with the Treasury Management function. The Council maintains a low risk appetite in its treasury activities and its approach is consistent with Department for Levelling Up, Housing and Communities (DLUHC) guidance that security of principal must be the primary concern when making investments. Any breaches of Treasury limits must be reported to Members.

6.6 Equality implications:

6.6.1 There are no direct equality or diversity implications.

6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

6.7.1 N/A

7. List of appendices referred to

7.1 Appendix A – 2022/23 Mid-Year Treasury Management Strategy Review.

8. Background papers used to compile this report

8.1 None

9. List of other relevant documents

9.1 None