



# NORWICH City Council

**Committee Name:** Treasury Management

**Committee Date:** 14/11/2022

**Report Title:** Treasury Management Annual Workplan

**Portfolio:** Councillor Kendrick, resources

**Report from:** Executive director of corporate and commercial services

**Wards:** All Wards

## OPEN PUBLIC ITEM

### Purpose

This report sets out the Council's Treasury Management workplan for a typical year.

### Recommendation:

That the committee:

- (1) agrees the workplan and forward dates for the Treasury Management Committee to meet.
- (2) notes the committee's Terms of Reference at Appendix 1.

### Policy Framework

The Council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report meets the Norwich City Council is in good shape to serve the city corporate priority

This report meets the Treasury management strategy policy adopted by the Council.

## Report Details

### Background

1. On 27 September 2022, Council agreed to establish and appoint to a Treasury Management Committee to support the in-depth consideration of a range of matters related to the governance of the Council's financial investments.
2. This report provides a Treasury Management workplan to enable the Committee to meet its Terms of Reference and schedule forward meeting dates. A copy of the Committee's Terms of Reference is included at Appendix 1.

### Workplan

3. Below is the current Treasury Management annual workplan. The proposed meeting dates for Committee are shown in bold.

January	<b>Treasury Management Committee - January Meeting</b> <ul style="list-style-type: none"><li>- Consider the Annual Treasury Management Strategy Statement (TMS) prior to adoption by council</li></ul>
February	Full Council to receive Treasury Management Strategy
April	<b>Treasury Management Committee - April Meeting</b> <ul style="list-style-type: none"><li>- Review proposed treasury activity for forthcoming year</li><li>- Initial update on end of year position</li></ul>
May	Statutory Accounts preparation
June	Treasury Management Outturn Report preparation
July	<b>Treasury Management Committee - July Meeting</b> <ul style="list-style-type: none"><li>- Consider outturn position report</li></ul>
August	Full Council to receive Treasury Management Outturn Report
October	Treasury Management Mid-Year Review Report preparation
November	<b>Treasury Management Committee - November Meeting</b> <ul style="list-style-type: none"><li>- Consider mid-year report</li><li>- Consider initial Treasury Management Strategy changes for forthcoming year</li></ul>
December	Full Council to receive Treasury Management Mid-Year Review Report

### Terms of Reference

4. The Treasury Management Committee Terms of Reference are shown at Appendix 1.

### Implications

#### Financial and Resources

5. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2022/23 and Budget. This report is for information only and there are no proposals in this report that would reduce or increase resources.

### Legal

6. The Council must have regard to the provisions of the Treasury Management code of practice when undertaking and reporting on its treasury activities. The requirement for Council to approve its Treasury Management Strategy and to

receive reports, on its treasury management performance, are requirements of the Code of Practice.

### Statutory Considerations

Consideration	Details of any implications and proposed measures to address:
Equality and Diversity	None
Health, Social and Economic Impact	None
Crime and Disorder	None
Children and Adults Safeguarding	None
Environmental Impact	<p>Sustainable investment products are an area of growth in the market. These options will be considered where the investments are in line with approved Treasury Management Strategy.</p> <p>Security, liquidity and yield remain the cornerstones of the Treasury Management Strategy, and it is vital that all investments continue to ensure the security of council funds as a priority and remain compatible with the risk appetite of the council and its cash flow requirements.</p>

### Risk Management

7. Managing risk is a major part of undertaking the treasury management activity. All the indicators and limits put in place to reduce the level of risk have been adhered to thus reducing the risks to an acceptable level as stated in the Treasury Management Strategy.

Risk	Consequence	Controls Required
<p>Future interest rate changes can offer both opportunity and risk.</p> <p>Cashflow requirements are known to avoid the need for unplanned borrowing or overdraft facilities to meet expenses as they fall due.</p>	<p>Future loan interest rate changes need to be assessed against the cost of borrowing and the council's ability to fund expenditure from its own cashflows (internal borrowing).</p> <p>Investment rates offer an opportunity to generate income in support of council priorities subject to the achievement of security and liquidity considerations.</p>	<p>To mitigate the risk, we will work closely with our treasury advisors to review interest rate forecasts to assess when we should borrow.</p> <p>Surplus cash for investing is only available on a short-term basis until required to meet ongoing or capital expenditures. The existence of reserves provides some longer-term opportunities to generate investment returns but must be undertaken alongside an assessment of risk and knowledge of the council's cashflow requirements.</p>

### Other Options Considered

8. No other options to be considered.

### Reasons for the decision/recommendation

9. To ensure Cabinet and Council are kept informed of treasury activity in line with the Financial Regulations.

**Background papers: None**

**Appendices:**

Appendix 1 - Treasury Management Committee – Terms of Reference

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### **Proposed Terms of Reference, Treasury Management Committee**

The Council appoints the Treasury Management Committee to support the in-depth consideration of a range of matters related to the governance of the Council's financial investments, including:

- Reviewing the treasury management strategy and any associated policies and recommending their consideration by Cabinet for onward approval by Council
- Reviewing the mid-year and annual reports on treasury management activity prior to their consideration by Council
- Monitoring how the Council complies with recognised good practice in relation to its treasury management practice including those issued by government or CIPFA

The Committee may also consider other matters relevant to Treasury Management on the advice of the Council's officers or treasury management advisors.

It is expected a minimum of 3 meetings should be held each year. It is expected that whilst Committee meetings may be held in public, due to the commercially sensitive nature of advice provided by the Council's treasury management advisors, a range of items may need to be considered without the press and public present.

The Treasury Management Committee shall consist of a maximum of 5 members, to include:

- a) The Chair of the Audit Committee
- b) The Chair of the Scrutiny Committee
- c) The Leader of the Council, who shall chair the meetings (in their absence, meetings shall be chaired by the Portfolio Holder for Resources)
- d) The Portfolio Holder for Resources
- e) A further member to be nominated by the relevant group leader in order to achieve the correct political balance within the Committee.

The quorum for the meeting shall be 3, which must include either the Chair of the Audit or Scrutiny Committee, and either the Leader or Portfolio Holder for Resources.