STOCKPORT COUNCIL

REPORT TO CABINET– SUMMARY SHEET

Subject: Treasury Management Strategy and Annual Investment Strategy Mid-Year Review Report 2021/22

Report to Cabinet **Date: 7 December 2021**

Report of: ***(a)*** Cabinet Member for Resources, Commissioning & Governance

Key Decision: ***(b)*** **Y**

Forward Plan	Y	General Exception		Special Urgency		(*Mark with a Y if applicable)*

Summary:
This report provides Cabinet with a mid-year review of the Council's Treasury Management Strategy Statement and Annual Investment Strategy for 2021/22 approved by Council on 25 February 2021 and has been prepared in accordance with the CIPFA Code of Practice for Treasury Management in the Public Services.

The report provides an economic update for the first six months of 2021/22 and details how this impacts upon the interest rate predictions and outlook provided in the initial strategy. An overview is provided of more recent forecasts and developments in the financial markets and how these are affecting the Council's investment portfolio and borrowing strategies for the current financial year. A review is provided of the Council's capital expenditure prudential indicators and compliance with Treasury and Prudential Limits for 2021/22.

There are no key changes required to the Treasury Management and Capital strategies for 2021/22, which continue to be relevant and effective. Interest rate forecasts (explained in Section 8) engendered by the current economic situation (given in Section 13) of the report, will lead the Council's investment and borrowing strategies for the remainder of the financial year.

The main report is very detailed and provides a full picture of all the variables and circumstances impacting upon the Council's treasury management operation, consequently, a 'key highlights' summary report containing all of the prevalent points has also been provided. This can be found immediately before the full report for quick reference.

Comments/Views of the Cabinet Member: ***(c)***

The Treasury Management Team continues to work well within the parameters set in the Treasury Management Strategy and manages to achieve good returns on investments and maintain low interest costs on borrowings. This continues to be achieved against changing market conditions that can make treasury management decisions ever challenging.

Recommendation(s) of Cabinet Member: ***(d)***

Cabinet is asked to recommend the following to the Council meeting:

- Note the report and the treasury activity in the first half of the financial year;
- Note the revised interest rate forecasts for Bank Rate and PWLB rates over the short and medium-term, which will drive the Council's long-term borrowing strategies going forward.

AGENDA ITEM

Relevant Scrutiny Committee (if decision called in): ***(e)***
Corporate, Resource Management & Governance

Background Papers (if report for publication): ***(f)***

Contact person for accessing background papers and discussing the report — **Officer:** Lorna Soufian

Tel: 0161 474 4026

'Urgent Business': ***(g)*** ***Yes/ No (Please circle)***

Certification (if applicable)
This report should be considered as 'urgent business' and the decision exempted from 'call-in' for the following reason(s):

The written consent of Councillor and the Chief Executive/Monitoring Officer/ Borough Treasurer for the decision to be treated as 'urgent business' was obtained on /will be obtained before the decision is implemented.