

# Southend-on-Sea Borough Council

Report of Executive Director (Finance & Resources)  
to  
**Cabinet**  
on  
**3 November 2020**

Agenda  
Item No.

Report prepared by: Caroline Fozzard  
Group Manager – Financial Planning and Control

---

**Treasury Management Report – Mid Year 2020/21**  
**Policy and Resources Scrutiny Committee**  
**Cabinet Member: Councillor Ron Woodley**  
*A Part 1 Public Agenda Item*

---

## **1. Purpose of Report**

- 1.1 The Mid-Year Treasury Management Report covers the treasury management activity and compliance with the treasury management strategy for both quarter two and the period from April to September 2020.

## **2. Recommendations**

**That the following is approved:**

- 2.1 **The Treasury Management Mid Year Position report for 2020/21.**

**That the following is noted:**

- 2.2 **Treasury management activities were carried out in accordance with the CIPFA (The Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management in the Public Sector during the period from April to September 2020.**
- 2.3 **The loan and investment portfolios were actively managed to minimise cost and maximise interest earned, whilst maintaining a low level of risk.**
- 2.4 **£0.842m of interest and income distributions for all investments were earned during this six month period at an average rate of 1.08%. This is 1.14% over the average 7 day LIBID (London Interbank Bid Rate) and 0.98% over the average bank rate. Also the value of the externally managed funds decreased by a net of £0.767m due to changes in the unit price, giving a combined overall return of 0.10%. (Section 8).**

- 2.5 The level of borrowing from the Public Works Loan Board (PWLB) (excluding debt relating to services transferred from Essex County Council on 1<sup>st</sup> April 1998) remained at £310.3m (Housing Revenue Account (HRA): £75.0m, General Fund: £235.3m) during the period from April to September 2020.**
- 2.6 The level of financing for ‘invest to save’ schemes decreased from £8.64m to £8.59m during the period from April to September 2020.**

### **3. Background**

- 3.1 This Council has adopted the ‘CIPFA Code of Practice for Treasury Management in the Public Sector’ and operates its treasury management service in compliance with this code. The code recommends that local authorities submit reports regularly as part of its Governance arrangements.
- 3.2 Current guidance is that authorities should report formally at least twice a year and preferably quarterly. The Treasury Management Policy Statement for 2020/21 set out that reports would be submitted to Cabinet quarterly on the activities of the treasury management operation. This is the second quarter report for the financial year 2020/21.
- 3.3 Appendix 1 shows the in-house investment position at the end of quarter two of 2020/21.
- 3.4 Appendix 2 shows the treasury management performance specifically for quarter two of 2020/21.

### **4. National Context**

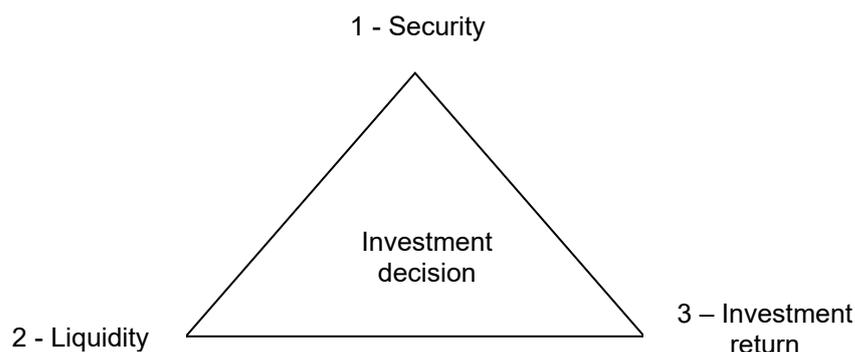
- 4.1 The UK economy has come out of national lockdown but the impact of the various local restrictions remains to be seen. The UK GDP figures for the quarter July to September have not yet been released but the quarter from April to June is now estimated to have contracted by 19.8%, revised from the initial estimate of a 20.4% fall. For the period June to August 2020 the unemployment rate and the number of redundancies continue to increase.
- 4.2 CPI was at 0.5% in August, down from 1.1% in July. The largest downward contribution came from falling prices in restaurants and cafes, arising from the Eat Out to Help Out Scheme.
- 4.3 The Bank of England kept the bank base rate at the historically low value of 0.10% and kept their Quantitative Easing (QE) programme at £745bn throughout the quarter.
- 4.4 The economic situation together with the financial market conditions prevailing throughout the quarter continued to provide challenges for treasury management activities. All prevailing rates have fallen, whether for instant access, notice or fixed term deposit accounts. The Council’s current fixed term deposits, that were taken out in 2019/20 whilst rates were higher, continue to provide a boost to investment

income. However, as they mature (August 2020 and February 2021) they can only be replaced at prevailing rates which are much lower.

- 4.5 Low interest rates prevailed throughout the quarter from July to September 2020 and this led to low investment income earnings from the in-house investments.

## 5. Investments – quarter two (July to September)

- 5.1 A prime objective of our investment activities is the security of the principal sums invested. To ensure this security before a deposit is made an organisation is tested against a matrix of credit criteria. During the period from July to September 2020 investment deposits were limited to those who met the criteria in the Annual Treasury Management Investment Strategy when the deposit was placed.
- 5.2 Other investment objectives are to maintain liquidity (i.e. adequate cash resources to allow the council to operate) and to optimise the investment income generated by surplus cash in a way that is consistent with a prudent level of risk. Investment decisions are made with reference to these objectives, with security and liquidity being placed ahead of the investment return. This is shown in the diagram below:



### Security:

- 5.3 To maintain the security of sums invested, we seek to lower counterparty risk by investing in financial institutions with good credit ratings, across a range of sectors and countries. The risk of loss of principal of monies is minimised through the Annual Treasury Management Investment Strategy.
- 5.4 Pie chart 1 of Appendix 1 shows that at the end of quarter two; 52% of our in-house investments were placed with financial institutions with a long term rating of AAA and 48% with a long term rating of A.
- 5.5 As shown in pie chart 2 of Appendix 1, these monies were with various counterparties, 48% being placed directly with banks and 52% placed with a range of counterparties via money market funds.
- 5.6 Pie chart 3 of Appendix 1 shows the countries where the parent company of the financial institution with which we have monies invested is registered. For money market funds there are various counterparties spread across many countries.

The cumulative balance of funds held with any one institution was kept within agreed limits.

Liquidity:

- 5.7 At the end of quarter two £61.2m of our in-house monies were available on an instant access basis, £10m were held in notice accounts and £20m was invested in fixed term deposits. The maturity profile of our investments is shown in pie chart 4 of Appendix 1.

Investment return:

- 5.8 During the quarter the Council used the enhanced cash fund manager Payden & Rygel to manage monies on our behalf. An average balance of £5.1m was invested in these funds during the quarter. The table below shows the movement in the fund value over the quarter, the income distributions for that quarter, the returns both for each element and the combined return. See also Table 3 of Appendix 2.

Table 1: Payden Sterling Reserve Fund

<b>Quarter 2</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	5.077	
Increase/decrease in fund due to value of unit price	0.019	1.46
Value of fund at end of quarter	5.096	
Income distributions	0.006	0.49
Combined investment income (income distribution plus change in fund value due to unit price)	0.025	1.95

- 5.9 The Council had an average of £106.9m of investments managed in-house over the period from July to September, and these earned an average interest rate of 0.35%. Of the in-house managed funds:
- an average of £18.7m was held in the Council's main bank account. Over the quarter no interest was earned as the rate is at a margin below the base rate of 0.10%. This average balance was higher than normal as a result to the volatile nature of the cash flows during the quarter due to the pandemic;
  - an average of £58.0m was held in money market funds earning an average of 0.21% over the quarter. These work in the same way as a deposit account but the money in the overall fund is invested in a number of counterparties, therefore spreading the counterparty risk;
  - an average of £3.0m was held in notice accounts earning an average of 0.10% over the quarter;
  - an average of £27.2m was held in fixed term deposits and earned an average return of 0.91% over the quarter;

- 5.10 In accordance with the Treasury Management Strategy the in-house performance during the quarter is compared to the average 7 day LIBID (London Interbank Bid Rate). Overall, investment performance was higher than the average 7 day LIBID. The 7 day LIBID rate fluctuated between -0.08% and -0.06%. The bank base remained at 0.10% throughout the quarter. Performance is shown in Graph 1 of Appendix 2.
- 5.11 As investment balances fluctuate, all investment returns quoted in this report are calculated using the average balance over the period and are quoted as annualised returns.

## 6. Short Dated Bond Funds – quarter two (July to September)

- 6.1 Throughout the quarter medium term funds were invested in two short dated bond funds: Royal London Investment Grade Short Dated Credit Fund and the AXA Sterling Credit Short Duration Bond Fund.
- 6.2 The monies are invested in units in the fund, the fund is then invested as a whole by the fund managers into corporate bonds in the one to five year range. An income distribution will be generated from the coupon on the bond and income distributions are paid to the Council. The price of units can rise and fall, depending on the value of the corporate bonds in the fund. So these investments would be over the medium term with the aim of realising higher yields than short term investments.
- 6.3 In line with the capital finance and accounting regulations the Council's Financial Instrument Revaluation Reserve will be used to capture all the changes in the unit value of the funds. Members should be aware that investment returns in some quarters will look very good and in other quarters there may be losses reported, but these will not impact the revenue account as only the distributions paid to the Council will impact that and not the change in the unit price.
- 6.4 An average of £7.7m was managed by AXA Investment Managers UK Limited. The table below shows the movement in the fund value over the quarter, the income distributions for that quarter, the returns both for each element and the combined return. See also Table 2 of Appendix 2.

Table 2: AXA Sterling Credit Short Duration Bond Fund

<b>Quarter 2</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	7.636	
Increase/decrease in fund due to value of unit price	0.052	2.69
Value of fund at end of quarter	7.688	
Income distributions*	0.028	1.44
Combined investment income (income distribution plus change in fund value due to unit price)	0.080	4.13

\* This income distribution is an estimate and will be confirmed and distributed in quarter 3.

- 6.5 An average of £7.8m was managed by Royal London Asset Management. The table below shows the movement in the fund value over the quarter, the income distributions for that quarter, the returns both for each element and the combined return. See also Table 2 of Appendix 2.

Table 3: Royal London Investment Grade Short Dated Credit Fund

<b>Quarter 2</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	7.737	
Increase/decrease in fund due to value of unit price	0.076	3.87
Value of fund at end of quarter	7.813	
Income distributions	0.044	2.27
Combined investment income (income distribution plus change in fund value due to unit price)	0.120	6.14

## **7. Property Funds – quarter two (July to September)**

- 7.1 Throughout the quarter long term funds were invested in two property funds: Patrizia Hanover Property Unit Trust and Lothbury Property Trust.
- 7.2 The monies are invested in units in the fund, the fund is then invested as a whole by the fund managers into properties. An income distribution is generated from the rental income streams from the properties in the fund. Income distributions are paid to the Council. There are high entrance and exit fees and the price of the units can rise and fall, depending on the value of the properties in the fund, so these funds are invested over the long term with the aim of realising higher yields than other investments.
- 7.3 In line with the capital finance and accounting regulations the Council's Financial Instrument Revaluation Reserve will be used to capture all the changes in the unit value of the funds. Members should be aware that investment returns in some quarters will look very good and in other quarters there may be losses reported, but these will not impact the revenue account as only the distributions paid to the Council will impact that and not the change in unit price.
- 7.4 An average of £13.7m was managed by Patrizia Property Investment Managers LLP. The table on the next page shows the movement in the fund value over the quarter, the income distributions for that quarter, the returns both for each element and the combined return. See also Table 1 of Appendix 2.

Table 4: Patrizia Hanover Property Unit Trust

<b>Quarter 2</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	13.715	
Increase/decrease in fund due to value of unit price	(0.170)	(4.90)
Value of fund at end of quarter	13.545	
Income distributions*	0.168	4.84
Combined investment income (income distribution plus change in fund value due to unit price)	(0.002)	(0.06)

\* This is an estimate and may change due to the high level of uncertainty in the property market as a result of the Covid-19 pandemic. The income Distribution will be confirmed in quarter 3.

- 7.5 An average of £12.8m was managed by Lothbury Investment Management Limited. The table below shows the movement in the fund value over the quarter, the income distributions for that quarter, the returns both for each element and the combined return. See also Table 1 of Appendix 2.

Table 5: Lothbury Property Trust

<b>Quarter 2</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	12.782	
Increase/decrease in fund due to value of unit price	(0.156)	(4.86)
Value of fund at end of quarter	12.626	
Income distributions	0.084	2.60
Combined investment income (income distribution plus change in fund value due to unit price)	(0.072)	(2.26)

## 8. Investments – quarter two cumulative position

- 8.1 During the period from April to September 2020 the Council complied with all of the relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of the Code of Practice for Treasury Management means its treasury practices demonstrate a low risk approach.
- 8.2 The Council is aware of the risks of passive management of the treasury portfolio and has proactively managed levels of debt and investments over the six month period with the support of its treasury management advisers.
- 8.3 The table on the next page summarises the Council's investment position for the period from April to September 2020:

Table 6: Investment position

	At 31 March 2020	At 30 September 2020	April to September 2020	
	Actual Balance (£000s)	Actual Balance (£000s)	Average Balance (£000s)	Average Rate (%)
Call accounts <sup>#</sup>	34,936	14,207	32,776	0.00
Money market funds	4,000	47,000	43,126	0.26
Notice accounts	0	10,000	1,500	0.30
Fixed term deposits	35,000	20,000	31,102	1.04
<b>Total investments managed in-house</b>	<b>73,936</b>	<b>91,207</b>	<b>108,504</b>	<b>0.41</b>
Enhanced Cash Funds	4,990	5,096	5,059	4.81
Short Dated Bond Funds	14,992	15,502	15,297	8.55
Property funds	27,554	26,171	26,973	(6.84)
<b>Total investments managed externally</b>	<b>47,536</b>	<b>46,769</b>	<b>47,329</b>	<b>(0.62)</b>
<b>Total investments</b>	<b>121,472</b>	<b>137,976</b>	<b>155,833</b>	<b>0.10</b>

<sup>#</sup>The council's main current account.

#### 8.4 In summary the key factors to note are:

- An average of £108.5m of investments were managed in-house. These earned £0.222m of interest during this six month period at an average rate of 0.41%. This is 0.47% over the average 7 day LIBID (London Interbank Bid Rate) and 0.31% over the average bank base rate. The average in-house balances are higher than they would be under normal circumstances due to the timing of receipt of Covid-19 related Government funding.
- An average of £5.1m was managed by an enhanced cash fund manager. During this six month period this earned £0.016m from income distributions at an average rate of 0.63% and the value of the fund increased by £0.106m giving a combined overall return of 4.81%
- An average of £15.3m was managed by two short dated bond fund managers. During this six month period these earned £0.146m from income distributions at an average rate of 1.90% and the value of the funds increased by £0.509m giving a combined overall return of 8.55%
- An average of £27.0m was managed by two property fund managers. During this six month period these earned £0.458m from income distributions at an average rate of 3.39% and the value of the funds decreased by £1.383m giving a combined overall return of (6.84)%.

- 8.5 Some cash balances held by the Council are required to meet short term cash flow requirements and therefore throughout the six month period monies were placed into Money Market Funds 10 times for periods of one year or less. The table below shows the most used counterparties overall and the countries in which they are based. All deals are in sterling despite the country the counterparties are based in.

Table 7: Counterparties used

Counterparty	Country	No. of Deals	Value of Deals (£m)
Goldman Sachs	Money Market Fund (Various Counterparties)	2	12
BlackRock	Money Market Fund (Various Counterparties)	4	19
Insight Investment Management Ltd	Money Market Fund (Various Counterparties)	2	19
Aberdeen Liquidity Fund	Money Market Fund (Various Counterparties)	2	19

- 8.6 In addition to the above, use was also made of call accounts during the year, because they provide instant access to funds. This meant that funds were available for unexpected cash flow events to avoid having to pay higher rates to borrow from the market. During the period from April to September 2020 an average of £32.8 was held in such accounts.

- 8.7 For cash balances that are not needed to meet immediate or very short term cash flow requirements, monies were invested in a 95-day notice account with Barclays and in fixed term deposits of up to one year, depending on the liquidity requirements. The table below shows the fixed term deposits held during quarter two.

Table 8: Fixed Term Deposits

Counterparty	Date of Deposit	Return Date	Number of days	Interest rate (%)	Amount (£m)
Santander UK plc	14/08/2019	14/08/2020	366	1.15	10
Lloyds Bank plc	14/08/2019	14/08/2020	366	1.10	20
Santander UK plc	27/02/2020	01/03/2021	368	1.10	5
Santander UK plc	12/08/2020	12/08/2021	365	0.55	5
Santander UK plc	14/08/2020	16/08/2021	367	0.55	10

## 9. Short Dated Bond Funds – quarter two cumulative position

- 9.1 An average of £7.6m was managed by AXA Investment Managers UK Limited. The table below shows the movement in the fund value over the period from April to September, the income distributions for that period, the returns both for each element and the combined return.

Table 9: AXA Sterling Credit Short Duration Bond Fund

<b>April to September 2020</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	7.437	
Increase/decrease in fund due to value of unit price	0.251	6.62
Value of fund at end of quarter	7.688	
Income distributions*	0.056	1.47
Combined investment income (income distribution plus change in fund value due to unit price)	0.307	8.09

\* This income distribution is an estimate and will be confirmed and distributed in quarter 3.

- 9.2 An average of £7.7m was managed by Royal London Asset Management. The table below shows the movement in the fund value over the period from April to September, the income distributions for that period, the returns both for each element and the combined return.

Table 10: Royal London Investment Grade Short Dated Credit Fund

<b>April to September 2020</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	7.555	
Increase/decrease in fund due to value of unit price	0.258	6.67
Value of fund at end of quarter	7.813	
Income distributions	0.090	2.33
Combined investment income (income distribution plus change in fund value due to unit price)	0.348	9.00

## 10. Property Funds – quarter two cumulative position

- 10.1 An average of £14.1m was managed by Patrizia Property Investment Managers LLP. The table below shows the movement in the fund value over the period from April to September, the income distributions for that period, the returns both for each element and the combined return.

Table 11: Patrizia Hanover Property Unit Trust

<b>April to September 2020</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	14.454	
Increase/decrease in fund due to value of unit price	(0.909)	(12.86)
Value of fund at end of quarter	13.545	
Income distributions*	0.297	4.20
Combined investment income (income distribution plus change in fund value due to unit price)	(0.612)	(8.66)

\* This is an estimate and may change due to the high level of uncertainty in the property market as a result of the Covid-19 pandemic. The income Distribution will be confirmed in quarter 3.

- 10.2 An average of £12.9m was managed by Lothbury Investment Management Limited. The table below shows the movement in the fund value over the period from April to September, the income distributions for that period, the returns both for each element and the combined return.

Table 12: Lothbury Property Trust

<b>April to September 2020</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	13.100	
Increase/decrease in fund due to value of unit price	(0.474)	(7.34)
Value of fund at end of quarter	12.626	
Income distributions	0.161	2.50
Combined investment income (income distribution plus change in fund value due to unit price)	(0.313)	(4.84)

## 11. Borrowing – quarter two

- 11.1 The Capital Financing Requirement (CFR) is the Council's theoretical need to borrow but the Section 151 Officer can manage the Council's actual borrowing position by either:

- 1 - borrowing to the CFR;
- 2 - choosing to use temporary cash flow funds instead of borrowing (internal borrowing) or;
- 3 - borrowing for future increases in the CFR (borrowing in advance of need)

- 11.2 The Council began quarter two in the second of the above scenarios, with actual borrowing below CFR.
- 11.3 This, together with the Council's cash flow, the prevailing Public Works Loans Board (PWLB) at historically low interest rates and the future requirements of the capital investment programme, were taken into account when deciding the amount and timing of any further loans. During the quarter no new PWLB loans were taken out, no loans matured and no debt restructuring was carried out..
- 11.4 The level of borrowing from the Public Works Loan Board (PWLB) (excluding debt relating to services transferred from Essex County Council on 1<sup>st</sup> April 1998) remained the same at £310.3m during the quarter. The average rate of borrowing at the end of the quarter was 3.77%. A profile of the repayment dates is shown in Graph 2 of Appendix 2.
- 11.5 The level of PWLB borrowing at £310.3m is in line with the financing requirements of the capital investment programme and the revenue costs of this borrowing are fully accounted for in the revenue budget. The current level of borrowing is also in line with the Council's prudential indicators and is prudent, affordable and sustainable.
- 11.6 Interest rates from the PWLB fluctuated throughout the quarter in response to economic and political events: 10 year PWLB rates between 1.94% and 2.23%; 25 year PWLB rates between 2.46% and 2.80% and 50 year PWLB rates between 2.26% and 2.65%. These rates are after the PWLB 'certainty rate' discount of 0.20%.
- 11.7 During quarter two, no short term loans were taken out for cash flow purposes. This is shown in Table 4 of Appendix 2.

## 12. Borrowing – quarter two cumulative position

- 12.1 The Council's borrowing limits for 2020/21 are shown in the table below:

	2020/21 Original (£m)
Authorised Limit	375
Operational Boundary	385

The Authorised Limit is the "Affordable Borrowing Limit" required by the Local Government Act 2003. This is the outer boundary of the Council's borrowing based on a realistic assessment of the risks and allows sufficient headroom to take account of unusual cash movements.

The Operational Boundary is the expected total borrowing position of the Council during the year and reflects decisions on the amount of debt needed for the Capital Programme. Periods where the actual position is either below or over the Boundary are acceptable subject to the Authorised Limit not being breached.

12.2 The Council's outstanding borrowing as at 30 September 2020 was:

- Southend-on-Sea Borough Council £310.3m
- ECC transferred debt £10.2m

Repayments in the first 6 months of 2020/2021 were:

- Southend-on-Sea Borough Council £0m
- ECC transferred debt £0.5m

12.3 Outstanding debt relating to services transferred from Essex County Council (ECC) on 1<sup>st</sup> April 1998, remains under the management of ECC. Southend Borough Council reimburses the debt costs incurred by the County. The debt is recognised as a deferred liability on our balance sheet.

12.4 The interest payments for PWLB and excluding transferred debt, during the period from April to September 2020 were £5.846m which is same as the original budget for the same period.

12.5 The table below summarises the PWLB borrowing activities over the period from April to September 2020:

Quarter	Borrowing at beginning of quarter (£m)	New borrowing (£m)	Re-financing (£m)	Borrowing repaid (£m)	Borrowing at end of quarter (£m)
April to June 2020	310.3	0	0	(0)	310.3
July to September 2020	310.3	0	0	(0)	310.3
<i>Of which:</i>					
General Fund	235.3	0	0	(0)	235.3
HRA	75.0	0	0	(0)	75.0

All PWLB debt held is repayable on maturity.

### 13. Funding for Invest to Save Schemes

13.1 Capital projects were completed on energy efficiency improvements at the Beecroft Art Gallery, replacement lighting on Southend Pier, draughtproofing of windows, lighting replacements at University Square Car Park and Westcliff Library which will generate on-going energy savings. These are invest-to-save projects and the predicted revenue streams cover as a minimum the financing costs of the project.

13.2 To finance these projects the Council has taken out interest free loans of £0.161m with Salix Finance Ltd which is an independent, not for profit company, funded by the Department for Energy and Climate Change that delivers interest-free capital to the public sector to improve their energy efficiency and reduce their

carbon emissions. The loans are for periods of four and five years with equal instalments to be repaid every six months. There are no revenue budget implications of this funding as there are no interest payments to be made and the revenue savings generated are expected to exceed the amount needed for the repayments. £0.015m of these loans were repaid during the period from April to September 2020.

13.3 At the meeting of Cabinet on 23 June 2015 the LED Street Lighting and Illuminated Street Furniture Replacement Project was approved which was to be partly funded by 25 year reducing balance 'invest to save' finance from L1 Renewables Finance Limited. The balance outstanding at the end of quarter two was £8.50m. A repayment of £0.038m was made during the period from April to September 2020.

13.4 Funding of these invest to save schemes is shown in Table 5 of Appendix 2.

#### **14. Compliance with Treasury Management Strategy – quarter two**

14.1 The Council's investment policy is governed by the CIPFA Code of Practice for Treasury Management in the Public Sector (revised in December 2017), which has been implemented in the Annual Treasury Management Investment Strategy approved by the Council on 20 February 2020. The investment activity during the quarter conformed to the approved strategy and the cash flow was successfully managed to maintain liquidity. This is shown in Table 7 of Appendix 2.

#### **15. Other Options**

15.1 There are many options available for the operation of the Treasury Management function, with varying degrees of risk associated with them. The Treasury Management Policy aims to effectively control risk to within a prudent level, whilst providing optimum performance consistent with that level of risk.

#### **16. Reasons for Recommendations**

16.1 The CIPFA Code of Practice on Treasury Management recommends that Local Authorities should submit reports regularly. The Treasury Management Policy Statement for 2020/21 set out that reports would be submitted to Cabinet quarterly on the activities of the treasury management operation.

#### **17. Corporate Implications**

17.1 Contribution to Council's Vision & Critical Priorities

Treasury Management practices in accordance with statutory requirements, together with compliance with the prudential indicators acknowledge how effective treasury management provides support towards the achievement of the Council's ambition and desired outcomes.

## 17.2 Financial Implications

The financial implications of Treasury Management are dealt with throughout this report.

## 17.3 Legal Implications

This Council has adopted the 'CIPFA Code of Practice for Treasury Management in the Public Sector' and operates its treasury management service in compliance with this code.

## 17.4 People Implications

None.

## 17.5 Property Implications

None.

## 17.6 Consultation

The key Treasury Management decisions are taken in consultation with our Treasury Management advisers.

## 17.7 Equalities and Diversity Implications

None.

## 17.8 Risk Assessment

The Treasury Management Policy acknowledges that the successful identification, monitoring and management of risk are fundamental to the effectiveness of its activities.

## 17.9 Value for Money

Treasury Management activities include the pursuit of optimum performance consistent with effective control of the risks associated with those activities.

## 17.10 Community Safety Implications

None.

## 17.11 Environmental Impact

None.

## 18. Background Papers

None.

## **19. Appendices**

Appendix 1 – In-House Investment Position as at 30 September 2020

Appendix 2 – Treasury Management Performance for Quarter Two – 2020/21