



Chelmsford City Council Treasury Management and Investment Sub Committee

16th October 2023

Treasury Management Mid-Year Review 2023/24

Report by:
Section 151 Officer

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Purpose

To inform members of the Treasury Management and Investment Sub-committee (TMISC) on the treasury activities undertaken in the first part of 2023/24 and to report on compliance with the approved TM Strategy.

Options

1. Accept the recommendations contained within the report.
2. Recommend changes to the way by which the Council's investments are to be managed.

Preferred option and reasons

Recommend the report to Cabinet and Council without amendment for consideration and thereby meet statutory obligations.

Recommendations

That Treasury Management and Investment Sub Committee (TMISC) and Cabinet note the contents of this report and request that Full Council review the report and approve that no changes to the 2023/24 Treasury Strategy are required.

List of appendices:

Appendix 1 – Review of Treasury Management Activity (2023/24)

Background papers:

Nil

Corporate Implications

Legal/Constitutional: The report meets statutory obligations on reporting Treasury Management Activity.

Financial: As detailed in the report

Potential impact on climate change and the environment:

Fund managers are required to consider ESG (Environmental, Social and Governance) factors in their investment process. All the fund managers would be expected to have signed up to the UN Principles for Responsible Investment (PRI). PRI argues that active participation in ESG and exercising shareholder rights on this basis can help to improve the performance of companies which may otherwise not address such concerns and so being an engaged corporate stakeholder is a more effective way to bring about change in corporate behaviour on ethical issues.

Further requirements from those identified above are not practical given the limited ability to directly influence any immediate change in the financial markets.

Contribution toward achieving a net zero carbon position by 2030: N/A

Personnel: N/A

Risk Management:

The report is part of the Council's approach to managing risks arising from Treasury Management

Equality and Diversity: N/A

Health and Safety: N/A

Digital: N/A

Other: N/A

Consultees:

Relevant Policies and Strategies:

Treasury Management Strategy 2023/24

1 Treasury Management Activity during the period 1st April 2023 – 31st August 2023

This report complies with the CIPFA Code by identifying the Council’s investments and external borrowings as at 31/08/2023 and compares treasury activity to the approved strategy.

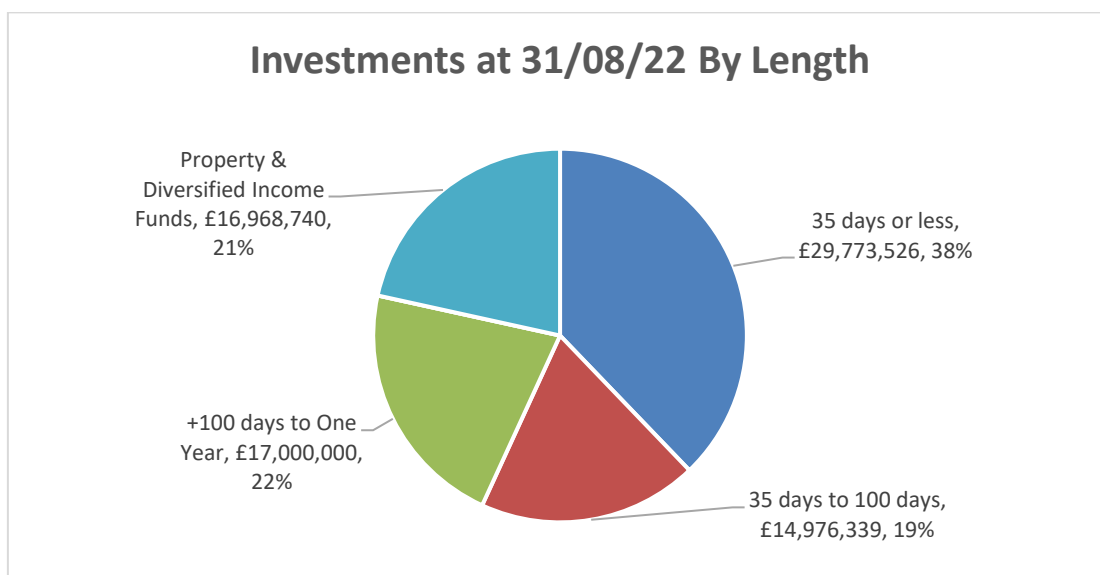
2 **Liquidity Management and borrowing**

2.1 The Council has continued to keep a significant proportion of its portfolio available for instant access and within notice accounts. The Council is undertaking significant capital investment including Waterside infrastructure and with the resulting expectation of a need to borrow later in the financial year, new investments durations have been kept to below a year.

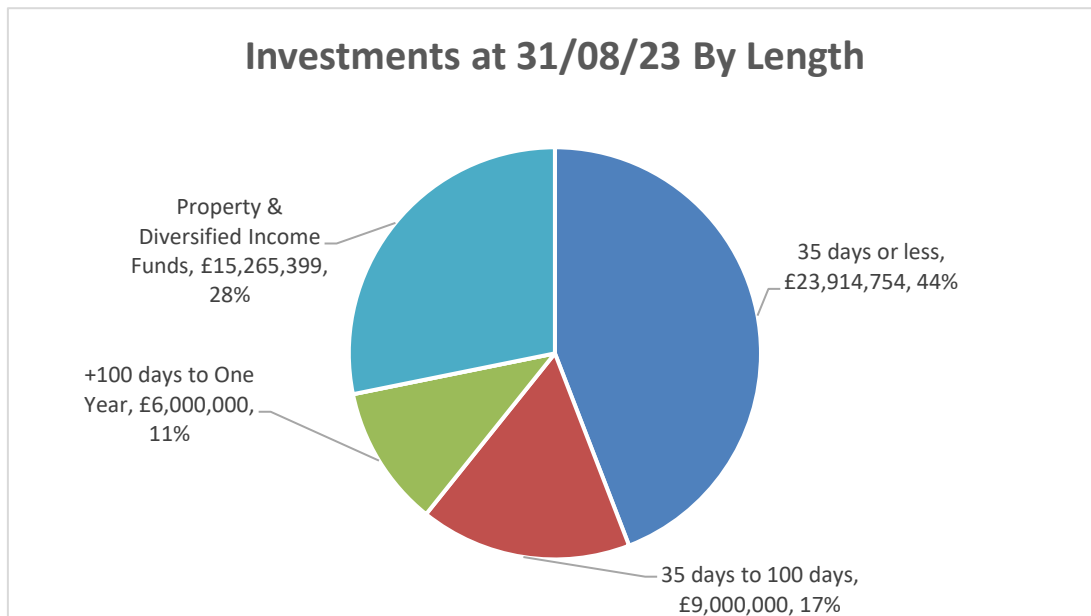
To assist in managing liquidity, the Council set the following target in its Treasury Management Strategy.

A minimum of £3m of all investments are targeted to be invested for periods of 35 days or less.

Outcome: The target was achieved, and officers will continue to keep the average durations of investments short until longer investment durations become worthwhile in terms of returns.



Investments at 31/08/23 By Length



Investments at:	31/08/22	%
35 days or less	£29,773,526	38
35 to 100 days	£14,976,339	19
+100 days to 1 yr.	£17,000,000	22
Over 1 yr.	£0	0
Property & Diversified Monthly Income Fund	£16,968,740	21
Total	£78,718,605	100

Investments at:	31/08/23	%
35 days or less	£23,914,754	44
35 to 100 days	£9,000,000	17
+100 days to 1 yr.	£6,000,000	11
Over 1 yr.	£0	0
Property & Diversified Monthly Income Fund	£15,265,399	28
Total	£54,180,153	100

2.2 The Council's Treasury strategy identified the following.

No fixed duration investments over 365 days are proposed for 2023/24; Subject to being reviewed during 2023/24 depending on cashflow and counterparty risk. It is recommended that any investments beyond 365 days are at the discretion of the Section 151 Officer. For investments 2 years and over, consultation will be made with TMISC chair.

Outcome: The target has not been exceeded. Currently, none are proposed but officers continue to look at options based on reviews of the Council's cashflow and interest forecasts.

2.3 **No breaches of counter -party limits have occurred.** The investments held by the Council are noted below.

