

Treasury Management Strategy 2022/23

Variation against 2021/22

Section 1 – Introduction

There have been no Changes

Section 2 – External Context

This is specific to the current year

Section 3 – Local Context

3.1 The level of borrowing and investment has changes as below:

	2021/22 Strategy 29 January 2021 £m	2022/23 Strategy 31 January 2022 £m
Borrowing	£268.0	£204.1
Investments	£110.8	£75.5

Table 1 – the figures in the 2022/23 strategy show the current forecast for CFR, External Borrowing and new investments or new borrowing. The level of forecast new borrowing is lower for both years ended 2023 and 2024

In the 2022/23 strategy useable reserves and working capital have been amalgamated into balance sheet resources

3.6 In the current strategy inflationary uplift has been applied from year 2, but in the previous strategy it was assumed that inflationary increases would not impact until after the forecast period

The rest of section 3 is unchanged

Section 4 – Borrowing Strategy

4.1 The figures have been updated in the 2022/23 strategy and link to the figures in section 3.1 and table 1

4.5 The wording relating to PWLB borrowing has changed due to changes in the CIPFA Code

The rest of section 4 is unchanged

Section 5 – Treasury Management Investment Strategy

5.1 The figures have been updated in the 2022/23 strategy and link to the figures in section 3.1

Table 3 – the approved counterparty limits have not been amended

The 2022/23 strategy does not include geographical limits which were included in the prior year strategy (paragraph 5.9)

5.22 – Investment Limits although the forecast reserves figure is higher in 2022/23 strategy the actual investment limit per counterparty has not changed.

Table 4 – the additional investment limits have not been amended

Section 6 – Treasury Management Prudential Indicators

Credit Risk Indicator – this has not changed

Liquidity risk indicator – this has reduced by £5.4m

Interest rate risk indicator – this has not changed

Refinancing risk indicator – this has not changed

Price risk indicator – this has not changed

Section 7 – Other Items

There have been no changes

Section 8 – Financial implications

The budget for investment income and debt interest is the same for each year.

Section 9 – Other Options

There have been no changes

Appendix 1 – Economic & Interest Rate Forecast

This is specific to the current year

Appendix 2 – Existing Investment & Debt Portfolio

The movement between 29/1/2021 and 31/01/2022 is shown below

	Difference between 29/01/21 and 31/01/22 £m	Difference between 29/01/21 and 31/01/22 Average Rate %
External Borrowing:		
Public Works Loan Board	(13.9)	0.12%
Local authorities	(50.0)	-0.64%
LOBO loans from banks	0.0	0.00%
Total External Borrowing	(63.9)	0.46%
Other Long-Term Liabilities		
PFI	(3.5)	
Finance Leases	(0.1)	
Transferred Debt	0.0	
Total Gross External Debt	(67.5)	
Investments		
Banks & Building Societies (unsecured)	(2.0)	0.00%
Government (incl. local authorities)	(3.0)	-0.05%
Money Market Funds	(30.3)	0.11%
Other Pooled Funds		
Total Investments	(35.3)	0.04%
Net Debt	(32.2)	