

Audit, Standards and Risk Committee

Wednesday, 25 January 2023

Mid-Year Treasury Management Report

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Governance
Is this a Key Decision?	No
Has it been included on the Forward Plan of Key Decisions?	Not a Key Decision

Director Approving Submission of the Report:
Gareth Sutton, Chief Finance Officer/s73 Officer

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Executive Summary

The following report sets out the Authority's performance as at Budget Revision 2 against the targets set in the 2022/23 treasury management strategy approved by the MCA Board in March 2022.

What does this mean for businesses, people and places in South Yorkshire?

The MCA's treasury management strategy is an integral part of its budget, which provides the resource to deliver upon South Yorkshire's aspirations. The developing business plans and accompanying budgets will determine how, where, and to what level the MCA invests in the region in the coming years and will set out how that investment is to be funded.

Recommendations

The Committee is asked to note the report, which was reviewed and approved by the MCA Board in November 2022.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Mayoral Combined Authority Board

14 November 2022

1. Background

1.1 The Authority is required to report on its treasury management activities three times a year, including at the halfway mark.

1.2 Treasury Management activity covers the management of the debt portfolio and the investment strategy for cash held in advance of need.

2. Key Issues

2.1 Over the year-to-date the investment strategy has out-performed expectations, largely due to higher cash balances and higher interest rates. This had led to significantly increased investment income forecasts.

2.2 No new requirements have been identified for debt, with loans being retired as planned. Over the year-to-date one £3m loan has been repaid which will save £0.16m per annum. This saving is built into medium-term projections.

2.3 The MCA has submitted to Government its borrowing cap proposals based upon the maximum debt it could service within its gainshare allocations. This approach provides the MCA with flexibility to take debt without committing itself to any course of action. All borrowing plans will be agreed with the Board in advance.

2.4 The full report is attached at Appendix 1.

3. Options Considered and Recommended Proposal

3.1 Not applicable – this report is for noting only.

4. Consultation on Proposal

4.1 Not applicable – this report is for noting only.

5. Timetable and Accountability for Implementing this Decision

5.1 Not applicable – this report was approved by the MCA Board on 14 November 2022.

6. Financial and Procurement Implications and Advice

6.1 This is a financial report, the details of which are in the supporting appendix.

7. Legal Implications and Advice

7.1 None

8. Human Resources Implications and Advice

8.1

9. Equality and Diversity Implications and Advice

9.1

10. Climate Change Implications and Advice

10.1

11. Information and Communication Technology Implications and Advice

11.1

12. Communications and Marketing Implications and Advice

12.1

List of Appendices Included:

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Background Papers