

## QUARTERLY REPORTING OF TREASURY PRUDENTIAL INDICATORS

### **SUMMARY:**

This report sets out the Prudential indicators compliance for the first quarter of 2023-24 financial year as required by the CIPFA Prudential Code for Local Authorities

### **RECOMMENDATIONS:**

Members are requested to:

- (i) Note the contents of this report in relation to the first quarter of 2023-24.

## **1. INTRODUCTION**

- 1.1 This report sets out the Prudential indicators compliance for the first quarter of 2023-24 financial year as required by the CIPFA Prudential Code for Local Authorities
- 1.2 Full Council originally approved the Annual Treasury Management Strategy and Non-Treasury Investment Strategy for 2023-24 on 23 February 2023. Within the strategy the Prudential indicators were set out and this report details the compliance with these indicators

## **2. PURPOSE**

- 2.1 The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management 2021<sup>1</sup> ("the Code"), which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year. The Code also recommends that members be informed of Treasury Management activities at least twice a year. This report therefore ensures this authority is embracing best practice in accordance with CIPFA's recommendations.

## **3. Treasury Management Compliance**

Compliance - The Chief Finance Officer reports that all treasury management activities undertaken during the first quarter of the year complied fully with the CIPFA Code of Practice

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<sup>1</sup> Published January 2022

### 3.1 Specific investment limits

Compliance with specific investment limits is demonstrated in the table below.

	30-Jun-23 Actual £m	2023-24 Limit £m	Complied ?
Any group of pooled funds under the same management	21.9	25.0	Yes
Money Market Funds	11	25.0	Yes

### 3.2 Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	30-Jun-23 Actual £m	2023-24 Limit £m	Complied ?
Portfolio average credit rating	A+	A-	Yes

### 3.3 Liquidity

The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount it can borrow each period without giving prior notice.

	30-Jun-23 Actual £m	2023-24 Limit £m	Complied ?
Total sum borrowed in past 3 months without prior notice	-	1.0	Yes

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