

	<h2>Cabinet</h2>
<p style="text-align: center;"><b>Title</b></p>	<p>Report of Overview and Scrutiny Committee to Cabinet: Recommendations on Treasury Management Strategy and Performance Update Outturn, Q1 and Mid-Year 2023/24</p>
<p style="text-align: center;"><b>Date of Meeting</b></p>	<p>12 December 2023</p>
<p style="text-align: center;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: center;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: center;"><b>Key</b></p>	<p>Non-Key</p>
<p style="text-align: center;"><b>Relevant Portfolio(s)</b></p>	<p>Resources and Effective Council</p>
<p style="text-align: center;"><b>Officer Contact Details</b></p>	<p>Faith Mwende, Overview and Scrutiny Manager,  <a href="mailto:faith.mwende@barnet.gov.uk">faith.mwende@barnet.gov.uk</a></p>
<h3>Summary</h3>	
<p>The Overview and Scrutiny Committee met on 7<sup>th</sup> November 2023 to review the forthcoming decisions by Cabinet on 12 December 2023 relating to: Treasury Management Strategy and Performance Update Outturn, Q1 and Mid-Year 2023/24. Following consideration of the item, the Committee agreed to make the following recommendations to Cabinet prior to an updated Treasury Management Strategy being referred by Cabinet for approval by Council on 28 February 2023.</p>	
<h3>Recommendations to Cabinet</h3>	
<ol style="list-style-type: none"> <li>1. On the proposed approval of an increase to the council's Operational Boundary and Authorised Limit for External Debt to reflect the council's current expectations around use of reserves over 2023-24 and capital expenditure requiring prudential borrowing, the Committee agreed to refer this matter to the Cabinet with a request for reassurance that Cabinet was satisfied that this proposal was prudent prior to referring the proposal to Council for approval on 30 January 2024.</li> <li>2. The Committee to recommend to Cabinet that largest major capital programme schemes should have their business cases refreshed/reviewed considering the current economic situation.</li> <li>3. The Committee to recommend to Cabinet that officers provide the information on the Council's Borrowing strategy, so as to understand in the circumstances in which the Council</li> </ol>	

could borrow external funds prior to referring the proposal to Council for approval on 30 January 2024.

## 1. Reasons for the Recommendations

- 1.1 The Overview and Scrutiny Committee met on 7<sup>th</sup> November 2023 to review the forthcoming decisions by Cabinet on 12 December 2023 relating to: Treasury Management Strategy and Performance Update Outturn, Q1 and Mid-Year 2023/24. Details of their comments and recommendations to Cabinet are detailed below.
- 1.2 Councillor Barry Rawlings, Leader and Cabinet Member for Resources & Effective Council, and Anisa Darr, the Executive Director of Strategy & Resources (Section 151 Officer), presented a report which provided an update on treasury management performance through the first half of 2023/24, presenting data at three points in time as comparators. These were 2022/23 outturn (31 March 2023), end of quarter one (30 June 2023) and the mid-year point (30 September 2023). The report also set out the expected borrowing plans for the second half of 2023/24 within the context of the Council's capital programme and expected use of reserves through 23/24 based on forecast outturn as at Q2.
- 1.3 On the proposed approval of an increase to the council's Operational Boundary and Authorised Limit for External Debt to reflect the council's current expectations around use of reserves over 2023-24 and capital expenditure requiring prudential borrowing, the Committee agreed to refer this matter to the Cabinet with a request for reassurance that Cabinet was satisfied that this proposal was prudent. **Action: Scrutiny Officer to Refer Item to Cabinet**
- 1.4 The Committee also agreed to recommend to Cabinet that largest major capital programme schemes should have their business cases refreshed/reviewed considering the current economic situation. **Action: Scrutiny Officer to Refer Item to Cabinet**
- 1.5 The Committee also agreed to recommend to Cabinet that officers provide information on the Council's Borrowing strategy, so as to understand the circumstances in which the Council could borrow external funds. **Action: Scrutiny Officer to Refer Item to Cabinet**
- 1.6 Following consideration of the item, the Chair moved to vote on the recommendations in the report which were unanimously agreed.
- 1.7 **RESOLVED that the Committee:**
- 1. Note the report, the treasury activity and performance updates against the Prudential Indicators**
  - 2. To refer the issue above on the proposed to increase to the council's Operational Boundary and Authorised Limit for External Debt to Cabinet for consideration.**
  - 3. To refer the recommendation above requesting that the largest major capital programme schemes should have their business cases refreshed/reviewed considering the current economic situation to Cabinet for consideration.**
  - 4. To refer the recommendation above requesting information on the Council's Borrowing strategy to be given by officers Cabinet for consideration.**

## 2. Alternative Options Considered and Not Recommended

- 2.1 N/A

### **3. Post Decision Implementation**

- 3.1 Cabinet are requested to consider and respond to the comments and recommendations made by the Overview & Scrutiny Committee prior to referring the recommend changes to the Operational Boundary and Authorised Limit in the Treasury Management Strategy to Council on 30 January 2024.

### **4. Corporate Priorities, Performance and Other Considerations**

#### **Corporate Plan**

- 4.1 Our Plan for Barnet 2023 – 2026 has a priority of ‘Being an engaged and effective council’ where ‘We will be open to scrutiny and transparent about the hard choices that we sometimes have to make.’

#### **Corporate Performance / Outcome Measures**

- 4.2 N/A

#### **Sustainability**

- 4.3 N/A

#### **Corporate Parenting**

- 4.4 N/A

#### **Risk Management**

- 4.5 Recommendations 1 and 2 made by the Overview & Scrutiny Committee seek assurance that Cabinet are managing risks relating to borrowing and management of the Capital Strategy.

#### **Insight**

- 4.6 N/A

#### **Social Value**

- 4.7 N/A

### **5. Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)**

- 5.1 N/A

### **6. Legal Implications and Constitution References**

- 6.1 Part 4A of the Council’s Constitution, section 2.15.2 sets out that “Cabinet will receive reports on its treasury management policies, practices and activities. This will also be considered by the Overview and Scrutiny Committee and Sub-Committees. These reports will incorporate the prudential borrowing limits and performance indicators.”
- 6.2 Following consideration of the report, the Committee may, in accordance with the following Committee Procedure Rules:
- 38.2.2 Make reports or recommendations to Full Council or the Cabinet with respect to the discharge of any functions which are the responsibility of the executive.

38.2.4 Make reports or recommendations to Full Council or the Cabinet with respect to the discharge of any functions which are not the responsibility of the executive.

38.2.6 Review or scrutinise the performance of anybody carrying out any function on behalf of or in partnership with the Council.

6.3 Committee Procedure Rule 40 details how the Cabinet and/or Council will deal with matters referred from the Overview and Scrutiny Committee or Sub-Committees.

## **7. Consultation**

7.1 N/A

## **8. Equalities and Diversity**

8.1 N/A

## **9. Background Papers**

9.1 Overview and Scrutiny Committee, 7 November 2023, Item : [Agenda for Overview and Scrutiny Committee on Tuesday 7th November, 2023, 7.00 pm \(moderngov.co.uk\)](#)