

**Report of the Director of Customer and Business Support Services
(Portfolio of the Leader of the Council)**

**Scrutiny of the Treasury Management Annual Report 2014/15 and
review of Prudential indicators**

Summary

1. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2014/15. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code). Prudential Indicators are attached at Annex A of Annex One.
2. Attached at Annex One is the Treasury Management Annual Report & Review of Prudential Indicators 2014/15 per the Executive agenda on the 30 July 2015.

Recommendations

3. It is recommended that Audit & Governance Committee note the Treasury Management Annual Report 2014/15 & Review of Prudential Indicators at Annex One;

Reason: That those responsible for scrutiny and governance arrangements are updated on a regular basis to ensure that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

Background

4. This covering report aims to assist Audit & Governance members in their review of the Treasury Management Annual Report & Prudential Indicators 2014/15 at Annex One.
5. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.
6. For reporting, scrutiny and training arrangements during 2014/15 the Council has met the reporting requirements and received the following reports.
 - an annual treasury strategy in advance of the year as part of Budget Council
 - a mid year treasury update report
 - an annual report following the year describing the activity compared to the strategy (Annex One)
7. Significant points to note from the report at Annex One include
 - During the year the Council has drawn down 3 new loans to funds its Capital Financing Requirement.
 - There was no restructuring of borrowing during the year
 - The Council's borrowing requirement for capital purposes (the Capital Financing Requirement) increased in year in line with the Capital programme.
 - There are no issues of concern in the Prudential Indicators with all indicators being adhered to

Options

8. It is a statutory requirement under Local Government Act 2003 for the council to operate in accordance with the CIPFA prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice.

Corporate Priorities

9. Treasury management is an integral part of the council's finances providing for cash flow management and financing of capital schemes. It aims to ensure that the council maximises its return on investments and minimises the cost of its debts.

Implications

10. The implications are
 - Financial – the security of the Council's capital funds is a priority, maximising returns on investments and minimising finance costs of debt is key.
 - Human Resources - there are no human resource implications to this report
 - Equalities - there are no equality implications to this report
 - Legal - there are no legal implications to this report
 - Crime and Disorder - there are no crime and disorder implications to this report
 - Information Technology - there are no information technology implications to this report
 - Property - there are no property implications to this report
 - Other - there are no other implications to this report

Risk Management

11. The treasury management function is a high-risk area due to the volume and level of large money transactions. As a result of this the Local Government Act 2003 (as amended), the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice 2009 (the code) are all adhered to as required.

Conclusion

12. The Treasury management function continues to operate in full accordance with the Prudential Code ensuring the Council's treasury activities are prudent, affordable and sustainable.

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Specialist Implications Officer(s) None

Wards Affected: *List wards or tick box to indicate all* **All**

For further information please contact the author of this report

Annexes

One – Treasury Management Annual Report & Review of Prudential Indicators 2014/15 Report