

Report of the Director of Customer & Business Support Services

**Treasury Management Annual Report & Review of Prudential Indicators
2015/16**

Summary

1. Audit & Governance Committee are responsible for ensuring effective scrutiny of the treasury management strategy and policies, as stated in the Treasury Management Strategy 2015/16 approved by full Council on 26 February 2015.
2. Attached at Annex A is the draft Treasury Management Annual Report and Review of Prudential Indicators 2015/16. This information provides Members with an update of treasury management activity for 2015/16.
3. The report attached at Annex A is still in draft form whilst final calculations are being completed as part of the year end process. However, whilst the numbers included may move slightly from those presented here the changes will not be significant.

Background

4. The report reviews the economic and market conditions and provides an update on the outturn position for the year.

Consultation

5. Not applicable

Options

6. 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 “the Code”. No alternative options are available.

Council Plan

7. 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, (whilst the priority is for security of capital and liquidity of funds) and minimises the cost of its debts. This allows more resources to be freed up to invest in the Council's priority areas as set out in the council plan. It therefore underpins all of the council's aims.

Implications

8. The implications are
 - Financial – the security of the Council's capital funds is a priority, maximising returns on investments is still key along with minimising the finance costs of debt.
 - 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

9. The treasury management function is a high-risk area because of 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 (the code) are all adhered to as required.

Recommendations

10. Audit & Governance Committee note and scrutinise the Treasury Management Annual Report and Review of Prudential Indicators 2015/16 at Annex A

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.

Contact Details

Author:

Debbie Mitchell
Corporate Finance & Commercial
Procurement Manager

Chief Officer responsible for the report:

Ian Floyd
Director of Customer & Business
Support Services

Report Date 28 April 2016
approved

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

Background Working Papers

None

Annexes

Annex A - Treasury Management Annual Report and Review of Prudential Indicators 2015/16

Glossary

CFR	Capital Financing Requirement
CIPFA	Chartered Institute of Public Finance and Accountancy
HRA	Housing Revenue Account
LIBID	London Interbank Bid Rate