

Report of the Director of Customer & Corporate Services

Treasury Management Annual Report & Review of Prudential Indicators 2018/19

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 2018/19 approved by full Council on 22 February 2018.
2. Attached at Annex 1 is the draft Treasury Management Annual Report and Review of Prudential Indicators 2018/19, which provides an update on treasury management activity during the year.

Background

3. The report reviews the economic and market conditions and provides an update on the outturn position for the year.
4. As reported to this Committee in December 2018, one loan has been redeemed prematurely when the Council was approached by the provider of one of its LOBO loans who advised they would be willing to negotiate a reduced premium to redeem the loan early. The s151 officer agreed to do this on the basis that it generates ongoing average savings of approximately £29k pa.

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 Councils 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.
 - One Planet Council / Equalities - there are no One Planet Council or 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 2018/19 at Annex 1

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			
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	Report approved	✓	Date 10/6/19
Specialist Implications Officer(s) None			
Wards Affected: <i>List wards or tick box to indicate all</i>			All ✓

For further information please contact the author of this report

Annexes

Annex 1 - Treasury Management Annual Report and Review of Prudential Indicators 2018/19

Annex A to above report – Prudential Indicators 2018/19