



**AUDIT COMMITTEE
(SPECIAL MEETING)**

16TH FEBRUARY 2016

AGENDA ITEM (4)

TREASURY MANAGEMENT - HALF-YEAR REPORT 2015/16 INCLUDING PRUDENTIAL INDICATORS

Accountable Member	Audit Committee
Accountable Officer	Jenny Poole Head of Finance, Audit and GO Shared Services 01285 623313 jenny.poole@cotswold.gov.uk

Purpose of Report	To consider the Treasury Management half-year report and to provide the Council with comments for consideration.
Recommendation(s)	(a) That the Treasury Management 2015/16 Half-Year report and the associated Prudential Indicators be received; (b) That the Committee's comments be forwarded to the Council.
Reason(s) for Recommendation(s)	The revised CIPFA Treasury Management Code of Practice, adopted by the Council on 25 th February 2010 requires the submission to the Council of an annual report on the Treasury Management activities and results for the previous financial year. It is also a requirement of the Code to report during the year on activities undertaken and on variations from agreed policies/practices.

Ward(s) Affected	N/A
Key Decision	No
Recommendation to Council	Yes

Financial Implications	None
Legal and Human Rights Implications	None
Environmental and Sustainability Implications	None
Human Resource Implications	None

Key Risks	<p>There are risks of financial institutions failing, given the current economic conditions. However, the risks are mitigated through application of the Council's Treasury Management Strategy.</p> <p>There are risks of interest rates remaining low over the medium term which impact on the Council's ability to generate investment income. These risks are routinely considered in the Council's Treasury Management Strategy, the Medium Term Financial Strategy and the associated Budget Strategy.</p>
Equalities Impact Assessment	Not Required

Related Decisions	<p>Approval of Treasury Management Strategy Statement and Investment Strategy 2015/16 to 2017/18 - Council - 23rd February 2015;</p> <p>Adoption of CIPFA Treasury Management Code of Practice by Council - 19th February 2004;</p> <p>revised Code adopted - Council - 25th February 2010</p>
Background Documents	None
Appendices	<p>Appendix 'A' - Treasury Management 2015-16 Half-Year Report including Prudential Indicators</p> <p>Appendix 'B' - The Council's Capital Position (Prudential Indicators)</p>

Performance Management Follow Up	<p>Investment performance is monitored on a quarterly basis and any variance over £10,000 is reported to the Overview and Scrutiny Committee and the Cabinet within the Quarterly Performance reports. The Annual Strategy, Half-Year Performance report and Annual report are considered by the Audit Committee and approved by the Council.</p>
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Options for Joint Working	The contract for the Council's Treasury Management Advisers was jointly procured.
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Background Information	
1.	The CIPFA Treasury Management Code of Practice requires the submission to the Council of a half-year report on Treasury Management activities and results. The report is attached at Appendix 'A' .
2.	The Council's investment income for the half-year 2015/16 was in line with the profiled budget. It is anticipated that investment income at the end of the financial year will be £200,000, compared to the full-year budget of £170,750.
3.	Further details are attached at Appendix 'B' .

(END)