



AUDIT COMMITTEE

23RD AUGUST 2016

AGENDA ITEM (11)

ANNUAL TREASURY MANAGEMENT REVIEW 2015/16 INCLUDING PERFORMANCE AGAINST PRUDENTIAL INDICATORS

Accountable Member	Councillor Lynden Stowe Leader of the Council
Accountable Officer	Jenny Poole Group Manager, GO Shared Services 01285 623313 jenny.poole@cotswold.gov.uk

Purpose of Report	To receive and discuss the report and to provide the Council with comments for consideration.
Recommendation(s)	(a) That the Annual Treasury Management Review 2015/16, and the associated updated Prudential Indicators, be received and discussed; (b) that the Committee's comments be forwarded to the Council (for when it considers this item).
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 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 upon the Council's ability to generate investment income. These risks are routinely considered in the Council's Treasury Management Strategy, the Medium Term Financial Plan 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 - 24th February 2015.</p> <p>Adoption of CIPFA Treasury Management Code of Practice by Council on 19th February 2004, revised Code adopted - Council - 25th February 2010</p>
Background Documents	None
Appendices	Appendix 'A' - Annual Treasury Management Review for 2015/16

Performance Management Follow Up	Investment performance is reported as part of the quarterly performance monitoring arrangements. The annual strategy, mid-year performance report and annual report are considered by the Audit Committee and approved by Council.
---	--

Options for Joint Working	The contract for the Council's Treasury Management Advisers was jointly procured.
----------------------------------	---

Background Information	
<p>1. The CIPFA Treasury Management Code of Practice requires the submission to the Council of an annual report on Treasury Management activities and results for the previous financial year. A copy of the Annual Treasury Management Review for 2015/16 is attached at Appendix 'A'.</p> <p>2. The Council has complied with the requirements under CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.</p> <p>3. The Council maintained an average balance of £29.311m of internally managed funds during 2015/16. The internally managed funds earned an average rate of return of 0.76%. The comparable performance indicator is the average three-month LIBID rate, which was 0.46%.</p> <p>4. The Council budgeted for £170,750 investment interest for 2015/16 but made an actual return of £223,518, a surplus of £52,768.</p> <p>5. Further details are contained in the attached Annual Report.</p>	

(END)