



AUDIT COMMITTEE

29TH AUGUST 2017

AGENDA ITEM (9)

ANNUAL TREASURY MANAGEMENT REVIEW 2016/17 INCLUDING PERFORMANCE AGAINST PRUDENTIAL INDICATORS

Accountable Members	Audit Committee
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 make a recommendation thereon to the Council
Recommendation(s)	That, subject to any comments made by the Committee, the Council be recommended to approve the Annual Treasury Management Review 2016/17 and the associated Prudential Indicators.
Reason(s) for Recommendation(s)	The revised CIPFA Treasury Management Code of Practice, adopted by 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.</p>
Equalities Impact Assessment	Not Required

Related Decisions	<p>Council - 23rd February 2016 - Treasury Management Strategy Statement and Investment Strategy 2016/17</p> <p>Council - 25th February 2010 - Adoption of revised CIPFA Treasury Management Code of Practice</p> <p>Council - 19th February 2004 - Adoption of CIPFA Treasury Management Code of Practice</p>
Background Documents	None
Appendices	Appendix 'A' - Annual Treasury Management Review 2016/17

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 the Council
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Options for Joint Working	The contract for the Council's Treasury Management Advisers was jointly procured. The contract expires during 2017/18 and a procurement process is in progress with other local authorities in the region.
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Background Information	
1.	The CIPFA Treasury Management Code of Practice requires the submission to the Council of an annual report on the treasury management activities and results for the previous financial year. The Annual Treasury Management Review 2016/17 is attached at Appendix 'A' .
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.
3.	The Council maintained an average balance of £29.3m of internally managed funds during 2016/17. The internally managed funds earned an average rate of return of 0.6%. The comparable performance indicator is the average three month LIBID rate, which was 0.32%.
4.	The Council budgeted for £209,713 in treasury investment interest for 2016/17. Actual performance was a return of £205,393, a deficit of £4,320.
5.	Further details are contained within the Annual Report, attached at Appendix 'A' .

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