



**AUDIT COMMITTEE**

**25<sup>TH</sup> JULY 2019**

**AGENDA ITEM (13)**

**ANNUAL TREASURY MANAGEMENT REVIEW 2018/19**

<b>Accountable Member</b>	Not Applicable
<b>Accountable Officer</b>	Mrs. Jenny Poole Chief Finance Officer 01285 623313 <a href="mailto:Jenny.Poole@cotswold.gov.uk">Jenny.Poole@cotswold.gov.uk</a>

<b>Purpose of Report</b>	For Members to receive and discuss the report and to provide full Council with comments for consideration.
<b>Recommendation(s)</b>	(a) <b>For Members to receive and discuss the Annual Treasury Management Review for 2018/19;</b> (b) <b>for Members to agree any comments to be passed to full Council when considering this item.</b>
<b>Reason(s) for Recommendation(s)</b>	The CIPFA Treasury Management Code of Practice, adopted by Council on 25 <sup>th</sup> February 2010 requires the submission to 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.

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

<b>Financial Implications</b>	None
<b>Legal and Human Rights Implications</b>	None
<b>Environmental and Sustainability Implications</b>	None
<b>Human Resource Implications</b>	None
<b>Key Risks</b>	(i) There are risks of financial institutions failing given economic conditions. However, the risks are mitigated through application of the Council's Treasury Management Strategy. (ii) 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 Strategy and the associated Budget.
<b>Equalities Impact Assessment</b>	Not Required

<b>Related Decisions</b>	(i) Approval of Treasury Management Strategy Statement and Investment Strategy 2018/19 by Council on 20 <sup>th</sup> February 2018. (ii) Adoption of CIPFA Treasury Management Code of Practice by Council on 19 <sup>th</sup> February 2004, revised Code adopted by Council on 25 <sup>th</sup> February 2010
<b>Background Documents</b>	None
<b>Appendices</b>	<b>Appendix 'A'</b> - Treasury Management Outturn Report 2018/19

<b>Performance Management Follow Up</b>	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.
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<b>Options for Joint Working</b>	The contract for the Council's Treasury Management Advisers was jointly procured.
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<b>Background Information</b>	
<p>1. The CIPFA Treasury Management Code of Practice requires the submission to Council of an annual report on the treasury management activities and results for the previous financial year. The Treasury Management Outturn Report for 2018/19 is attached at <b>Appendix 'A'</b>.</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 investment portfolio of £36.5m during 2018/19. The funds earned an average rate of return of 1.16%, this compares to 0.58% in 2017/18.</p> <p>4. The Council budgeted for £341,270 in treasury investment income for 2018/19. Actual performance exceeded target by £117,224, with investment income received of £458,494.</p> <p>5. Further detail is contained within the report at <b>Appendix 'A'</b>.</p>	

(END)