



COUNCIL

23RD SEPTEMBER 2014

AGENDA ITEM (10)

TREASURY MANAGEMENT - ANNUAL REPORT AND PRUDENTIAL INDICATORS 2013/14

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

Purpose of Report	To consider and approve the Treasury Management Annual Report 2013/14 and associated updated Prudential Indicators.
Recommendation(s)	That the Treasury Management Annual Report 2013/14, and the associated updated Prudential Indicators, be approved.
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 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	N/A

Financial Implications	None
Legal and Human Rights Implications	None
Environmental and Sustainability Implications	None
Human Resource Implications	None
Key Risks	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.

	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.
Equalities Impact Assessment	Not Required

Related Decisions	Approval of Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16 by Council on 26 th February 2013. Adoption of CIPFA Treasury Management Code of Practice by Council on 19 th February 2004, revised Code adopted by Council on 25 th February 2010
Background Documents	None
Appendices	Appendix 'A' - Treasury Outturn Report for 2013/14

Performance Management Follow Up	Investment performance is monitored on a monthly basis and reported informally to the Leader of the Council within the monthly Key Variance Report. The annual Strategy, mid-year Performance Report and Annual Report are considered by the Audit and Scrutiny Committee and the Cabinet, and approved by the 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 the treasury management activities and results for the previous financial year. The Annual Report is attached at Appendix 'A'.</p> <p>2. The Council's investment income for the year 2013/14 was £199,190 gross. The average rate of interest earned was 0.9%. This was achieved despite Base Rate being held at 0.5% throughout 2013/14. The budget for 2013/14 was £170,750; therefore a surplus of £28,440 was achieved on investment income.</p> <p>3. Further detail is contained within the attached Annual Report.</p> <p>4. The Audit and Scrutiny Committee considered this report at its Meeting on 15th July 2014. The Committee noted the report and did not wish to make any specific comments thereon to the Cabinet or the Council.</p>	

(END)