



COUNCIL

23<sup>RD</sup> FEBRUARY 2016

**AGENDA ITEM (11)**

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

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

<b>Purpose of Report</b>	To advise the Council on Treasury Management activity for the period April to September 2015.
<b>Recommendation(s)</b>	<b>That the Council receives and comments on the Treasury Management 2015/16 Half-Year report and the associated Prudential Indicators.</b>
<b>Reason(s) for Recommendation(s)</b>	The revised 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>	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 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.
<b>Equalities Impact Assessment</b>	Not Required

<b>Related Decisions</b>	Approval of Treasury Management Strategy Statement and Investment Strategy 2015/16 to 2017/18 by Council on 23rd February 2015.  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 2015-16 Half-Year Report including Prudential Indicators

<b>Performance Management Follow Up</b>	Investment performance is monitored on a quarterly basis and any variance over £10,000 is reported to Overview and Scrutiny Committee and the Cabinet within the quarterly performance report. The annual strategy, half-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 a half-year report on the treasury management activities and results. The report is attached at Appendix A.</p> <p>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. Further detail is contained within the attached report.</p> <p>3. The Council's investments in commercial property fall outside of the scope of Treasury Management activity. Where appropriate, investment property performance matters are reported in the quarterly performance reports to the Overview and Scrutiny Committee and Cabinet (e.g. should financial performance not be in line with the budget).</p> <p>4. The report was considered by the Audit Committee at a Special Meeting on 16<sup>th</sup> February 2016. <b>Appendix A</b> has been updated to include details of investments in pool funds at the request of that Committee.</p>	

(END)