



COUNCIL

AGENDA ITEM (10)

TREASURY MANAGEMENT REVIEW - MID-YEAR 2018/19

Accountable Members	Audit Committee
Accountable Officer	Jenny Poole Chief Finance Officer 01285 623313 jenny.poole@cotswold.gov.uk

Purpose of Report	To receive and discuss the review report.
AUDIT COMMITTEE RECOMMENDATION	That the Treasury Management Mid-Year Review for 2018/19 be considered and approved by the Council.
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 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, from the Audit Committee

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 Strategy and the associated Budget.</p>

Equalities Impact Assessment	Not Required
Related Decisions	Approval of Treasury Management Strategy Statement and Investment Strategy 2018/19 by Council on 20 th February 2018. 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 Management Mid-Year Report 2018/19

Performance Management Follow Up	(i) Implement Council decision(s). (ii) 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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Options for Joint Working	The contract for the Council's Treasury Management Advisers was jointly procured.
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Background Information	
<p>1. The CIPFA Treasury Management Code of Practice requires the submission to Council of a mid-year report on the treasury management activities and results for the period 1st April 2018 to 30th September 2018.</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. As at 30th September 2018, the Council investment portfolio amounted to £34.47m. For the first six months of the year, funds earned an average rate of return of 1.16%.</p> <p>4. The Council budgeted for £341,270 in treasury investment interest for 2018/19. Forecast investment interest amounts to £425,800, an improvement of £84,530 over the budget.</p> <p>5. Further detail is contained within the report at Appendix 'A'.</p> <p>6. This item was considered by the Audit Committee on 30th October 2018. In commending the recommendation as presented to the Council for approval, the Committee suggested that the report to Council should include capital valuations as at 30th September 2018. In line with that suggestion, the relevant information has been incorporated within Appendix 'A'.</p>	

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