

Wards Affected:*All Wards***ITEM 12****CABINET****4 DECEMBER 2018****2018-2019 MID-YEAR TREASURY MANAGEMENT REPORT**

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Innovation)

Report Sponsor: Steve Richardson (Service Director [Finance and Resources])

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Executive Summary:

The Council is required by regulations issued under the Local Government Act 2003 to produce a mid- year update on treasury management activities. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

1. Recommendation(s)

1.1 To note the 2018-2019 mid- year treasury management report.

2. Background

2.1 Following consultation in 2017, The Chartered Institute of Public Finance and Accountancy (CIPFA) published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice but has yet to publish the local authority specific Guidance Notes to the latter. In England, the Ministry of Housing, Communities & Local Government (MHCLG) published its revised Investment Guidance which came into effect from April 2018. The guidance recommends that members should be updated on treasury management activities at least twice a year.

2.2 The 2018-19 Treasury Management Strategy, approved by Cabinet in February 2018, identified that Councillors would receive a mid- year report on treasury management policies, practices and activities.

2.3 Treasury Management Mid-Year Report 2018-19

The key Treasury Management headlines are:

- (a) investment income returns were 0.96% in Quarter 1 and 1% in Quarter 2. This out-performed the benchmark 3 month LIBID (a measure of inter-bank lending rates) by 41 basis points in Quarter 1 and 34 base points in Quarter 2;

- (b) no new borrowing or debt rescheduling exercises have been undertaken to date this financial year; and
- (c) the Prudential Indicators have been met.

The full report is detailed in the attached **Annex**.

3. Implications

3.1 Policy

The recommendations of this report are consistent with the Council's Medium Term Financial Plan.

3.2 Resources and Risk

Where significant risks are known they are highlighted in this report.

Revenue implications as a result of capital schemes are built into the Council's debt financing and other revenue budgets as appropriate through the Medium Term Planning process.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	N	Asset Management

3.3 Carbon and Energy Management

There are no implications as a result of this report.

3.4 Legal

There are no legal implications arising as a result of this report.

3.5 Other Implications

All implications are outlined within the report.

Background Papers: Council Budget 2018/19 and Medium Term Financial Plan 2018/19 – 2021/22 as approved by Council in February 2018.

Annex: 2018-19 Mid-Year Treasury Report