



Cabinet 13 February 2013

Report of the Performance and Audit Scrutiny Committee: Treasury Management Performance and Annual Treasury Management and Investment Strategy 2013/2014 (Feb13/04)

1. The Committee considered an update on treasury management activity and performance for the period 1 April to 31 December 2012, together with the Annual Treasury Management and Investment Strategy Statements for 2013/2014 and Prudential Indicators. This update was due to have been considered by the Committee's Treasury Management Sub-Committee on 21 January 2013; however, that meeting had been cancelled due to adverse weather conditions. The Performance and Audit Scrutiny Committee therefore spent some time scrutinising this report.
2. Considering investment activity during 1 April to 31 December 2012, the total amount invested at 1 April 2012 was £32.0 million and at 31 December 2012 was £42.45 million. The increase in balances over this period was due primarily to timing differences in respect of the collection of local taxes and the payment of precepts. At the end of December 2012, interest actually earned during the first nine months of the financial year amounted to £499,000 against the profiled budget for the period of £440,000, a budgetary surplus of £59,000. A full list of investments held as at 31 December 2012 was provided and discussed.
3. Turning to the Annual Treasury Management and Investment Strategy 2013/2014, it was estimated that in 2013/2014 treasury management activity would generate income of £554,000, representing a target investment rate for the year of 1.5%. This estimate took account of Sector's views on future interest rate levels as well as revised projections for Council balances taking into account the updated and rescheduled capital expenditure and asset disposals programmes, and the maturity dates for the Council's current fixed term investments.
4. The Committee **RECOMMENDS to Cabinet and full Council:**

That the Annual Treasury Management and Investment Strategy for 2013/2014, attached as Appendix 2 to Report D252, be approved.

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