

Accounts, Audit and Risk Committee

Treasury Management Annual report

22 June 2011

Report of Head of Finance

PURPOSE OF REPORT

To receive information on treasury management performance and compliance with treasury management policy during 2010/11 as required by the Treasury Management Code of Practice.

This report is public

Appendices 1a and 1b to this report is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972

Recommendations

The Accounts, Audit and Risk Committee is recommended:

- (1) To consider, amend or endorse this report for consideration at the next appropriate full Council meeting.
- (2) To give delegated authority to the Head of Finance in consultation with the Chairman of Account, Audit and Risk Committee to make any amendments required as a result of finalising the 2010/11 financial statements.

Summary

- 1.1 As part of our investment strategy and governance arrangements this committee considers the investment performance to date and our compliance with counterparties being used.
- 1.2 The Code of Practice on Treasury Management approved by the Chartered Institute of Public Finance and Accountancy (CIPFA) and adopted in full by the Council in 2004, requires that a Treasury Management Strategy is produced prior to the beginning of the financial year to which it relates. The Treasury Management Strategy is the cornerstone of proper treasury management, and is central to the operation, management reporting and performance assessment. The 2010/11 strategy for Cherwell District Council was approved at full Council in February 2010. The 2011/12 strategy for Cherwell District Council was approved at full Council on 18th May 2011.
- 1.3 The highest standard of stewardship of public funds remains of the utmost importance to the Council. This document sets out the Council's priorities

and policies for making, and managing investments made by the Council in the course of undertaking treasury management activities during the 2011/12 financial year.

Background Information

2010/11 Performance

- 2.1 The Council has £22.5m and £20m respectively invested with fund managers Tradition UK and Investec. In addition it has around £25m managed in-house (including Eco Town funds of £9.2m) which fluctuates during the year. The Council regularly reviews of each of these funds in light of the current economic climate, reducing balances in investments planned to fund the Capital Programme and the need to contribute to efficiency savings. This review is ongoing and the outcome will be presented in the 2010/11 annual report but is expected to deliver further efficiency savings.
- 2.2 The Council's investments and counterparties are listed in Appendix 1a and 1b.
- 2.3 Further details of the Council's Treasury Management Performance in 2010/11 can be seen in the Annual Report (Appendix 2)

Implications

Financial:	All financial issues are detailed in the report. Comments checked by Karen Muir, Corporate System Accountant 01295 221559.
Legal:	Presentation of this report is in line with the CIPFA Code of Practice. Comments checked by Nigel Bell, Interim Monitoring Officer, 01295 221687.
Risk Management:	It is essential that this report is considered by the Executive as it demonstrates that the risk of not complying with the Council's Treasury Management Policy has been avoided. Comments checked by Karen Muir, Corporate System Accountant, 01295 221559.

Wards Affected

All wards are affected.

Document Information

Appendix No	Title
Appendix 1a & b Appendix 2	Deposits by Counterparty – RESTRICTED Annual Report

Background Papers	
2010/11 Strategy Budget Monitoring Reports CIPFA Treasury Management Code of Practice Sector Templates	
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