

**REPORT OF THE CORPORATE COMMITTEE No. 2, 2016/17
COUNCIL 27 FEBRUARY 2017**

Chair:
Councillor Barbara Blake

Deputy Chair:
Councillor Eddie Griffith

INTRODUCTION

- 1.1 This report to Full Council arises from the Treasury Management Mid Year Report, considered by the Corporate Committee at its meeting on 29 November 2016. The report attached as appendix 1 incorporates the comments made by the Committee in discussion.

SUMMARY

Mid Year report – Treasury Management Update

- 2.1 We considered the mid year report on Treasury Management, and noted that it was a requirement of the CIPFA Treasury Management Code for this report to also be considered by Full Council. The report considered by the Committee is attached as appendix 1.
- 2.2 We noted the key messages from the report, namely:
- As at 31 March 2016 the Council had £312.2m of borrowing and £29.15m of investments.
 - As at 30 September 2016 the Council held £273.6m of loans (a decrease of £9.7m on 31 March 2016), that it was estimated that the Council would incur a net cost of £31m if all PWLB loans were rescheduled (full details of which were provided at appendix 4 to the report).
 - The cut in the UK Bank Rate from 0.5% to 0.25% in August 2016 had affected investment returns, the current forecast investment income for the year is estimated at £104k.
 - There had been no breaches of the Prudential Indicators for 2016/17, as set by Full Council as part of the Treasury Management Strategy Statement.
- 2.3 We asked about the outlook for the remainder of 2016/17, and it was reported that this would largely depend on developments in the UK economy relating to Brexit and that there was currently uncertainty relating to what this impact would be, although there were indications of a general downward trend in economic growth.
- 2.4 We asked some points of clarification, and noted that the table on page 14 of the report had been inadvertently duplicated from paragraph 14.4 and was not relevant to the section on borrowing activity, and that the PREM column on the table at appendix 4 referred to the premium for the respective loans.

WE RECOMMEND

That Full Council note the Treasury Management activity undertaken during the six months to 30th September 2016 and the performance achieved.