

## **REPORT OF THE CORPORATE COMMITTEE No. 2/2012-13 COUNCIL**

Chair:  
Councillor George Meehan

Deputy Chair:  
Councillor Kaushika Amin

### **INTRODUCTION**

- 1.1 This report to full Council arises from the Treasury Management 2011/12 Outturn report considered by the Corporate Committee at their meeting on the 28 June 2012.

### **SUMMARY**

- 2.1 Treasury Management Outturn 2011/12
- 2.2 We considered a report on the treasury management activity and performance during 2011/12 in accordance with the CIPFA Treasury Management Code of Practice.
- 2.3 Following the abolition of the Housing Revenue Account subsidy system and the re-adjustment of each authority's housing related debt, £233.85m of the Council's outstanding PWLB loans was repaid by the DCLG. This major change to the Council's debt portfolio was reflected in the prudential indicators being reported.
- 2.4 We noted that the early repayment of long term debt was not currently cost effective due to market conditions. However, the Treasury Management service were continually monitoring the position to utilise any available opportunities to save money on the interest rates of loans
- 2.5 We were informed at our meeting that, since the attached report was written, Moody's rating agency had down graded most UK banks. Consequently, Nat West and the Royal Bank of Scotland had been withdrawn from the council's lending list as they fell below the minimum criteria of Prime-1 short term credit rating, required under the Treasury Management Strategy. We noted that investments with Nat West had been withdrawn in response, but day to day banking was continuing.
- 2.6.1 We were given assurance that the treasury management limits were closely adhered to and monitored on a daily basis. We noted that a monthly performance report was also provided to the Chief Financial Officer in respect of this.
- 2.7 The council were continuing to receive funds from Icelandic deposits with full repayment expected to be achieved by 2018. So far a total £21.5m had been returned out of the original investment of £36.9m

## **WE RECOMMEND**

- i. That the Treasury Management Activity and Performance during 2011/12 be noted.