

**REPORT OF THE CORPORATE COMMITTEE No. 02/2013-14
COUNCIL 18 November 2013**

Chair:
Councillor George Meehan

Deputy Chair:
Councillor Kaushika Amin

INTRODUCTION

- 1.1 This report to full Council arises from the report entitled "Treasury Management 2013/14 Mid Year Activity & Performance update"

ITEMS FOR NOTING

- 2.1 Treasury Management 2013/14 Mid Year Activity & Performance Update
(Appendix 1)

2.1.1 The CIPFA Treasury Management Code of Practice and the Prudential Code recommends that the report on treasury management 2013/14 mid year activity and performance (Appendix 1) should be reported to Full Council as best practice. The relevant information relating to the Treasury Management 2013/14 mid year activity and performance is set out in the attached report.

2.1.2 In response to a question raised by the Committee during our consideration of this item, the Director of Corporate Resources confirmed that she was satisfied that the mechanisms in place to monitor the fundamental principles of the Council's Treasury Management policy were robust. With respect to the 'A' rating for Natwest SIBA on the table in paragraph 14.3, we noted that this was assessed on a different style of rating from the money market funds, and that investment of a limited proportion of funds within this type of account was fully in accordance with the Treasury Management Strategy. We further noted that this was an instant access account, and so funds could be retrieved quickly from this account if required; investment positions were reviewed on a daily basis. It was clarified that the y-axis of the graph in paragraph 15.2 of the report related to millions of pounds.

2.1.3 We asked about the deposits shown in the table in paragraph 15.4 of the report, and it was confirmed that these were all short term investments, ranging in duration from overnight up to 32 days. With regard to where these investments were reflected within the Statement of Accounts, it was confirmed that these were the 'Short Term Investments' line on the Balance Sheet. We queried the expected interest amount of £40k as set out in paragraph 16.2 of the report, on the basis of the interest rates quoted, and it was agreed that officers would double-check this calculation for accuracy.

2.1.4 Subsequent to the 19 September meeting and the query raised by the Committee with regard to Paragraph 16.2, it was confirmed that, while this Paragraph of the treasury update report had stated that anticipated income in the half year to September was £40,000, this was in fact the anticipated income for a quarter only. The average investment balance is approximately

£50 million and at an average return of 0.32%, the half yearly anticipated income is £80,000.

WE RECOMMEND:

- (i) Treasury Management 2013/14 Mid Year Activity & Performance Update
 - a) That the Treasury Management activity undertaken during the first half of 2013/14 and the performance achieved be noted.