

EAST HERTS COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – 21 SEPTEMBER 2016

REPORT BY EXECUTIVE MEMBER FOR FINANCE

TREASURY MANAGEMENT OUTTURN 2015 – 16

WARDS AFFECTED: None.

Purpose/Summary of Report:

- The report reviews the Council's treasury management activities for 2015/16, including the prudential indicators and identifies the associated impact on the 2016/17 treasury management strategy.

RECOMMENDATION FOR AUDIT AND GOVERNANCE COMMITTEE:

(A)	The 2015/16 Treasury management activity and prudential indicators be approved.

1.0 Background

1.1 Treasury management is defined as: 'The management of the Council's investments and cash flows, its banking arrangements, money market and capital transactions; the effective control of the risks associated with these activities; and the pursuit of optimum returns consistent with the Council's risk management policy for treasury management.'

1.2 This activity is supported by the council's appointed independent advisors – Capita Asset Services.

1.3 The Council is required by regulations under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2015/16.

1.4 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

1.5 The Council is required by the CIPFA Prudential Code to approve an annual review following the end of the year describing the activity compared to the strategy.

2.0 Report

2.1 Please refer to the Annual Treasury Management Review, **Essential Reference Paper 'B': Annual Treasury Management Review 2015-16.**

2.3 Prudential Indicators have been summarised in **Essential Reference Paper 'C': Prudential Indicators 2015-16.**

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'.**

Background Papers

CIPFA Code of Practice on Treasury Management (2011)

CIPFA Prudential Code for Capital Finance in Local Authorities (2011)

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