

EAST HERTS COUNCIL

EXECUTIVE – 28 NOVEMBER 2017

REPORT BY EXECUTIVE MEMBER FOR FINANCE AND SUPPORT SERVICES

TREASURY MANAGEMENT MID YEAR REVIEW 2017-18

WARDS AFFECTED: NONE

Purpose/Summary of Report

- The report reviews the Council’s treasury management activities for the first 6 months of 2017/18 financial year, including the prudential indicators.

<u>RECOMMENDATIONS FOR EXECUTIVE:</u> that	
(A)	the comments of Performance, Audit and Governance Scrutiny Committee be received; and
(B)	the Treasury management activity and prudential indicators for the first 6 months of the 2017/18 financial year be approved.

1 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 – Link Asset Services (formally known as Capita Asset Services).

1.3 The Council is required by regulations under the Local Government Act 2003 to produce a treasury management mid-

year review of activities and prudential and treasury indicators for 2017/18.

- 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 a treasury management mid-year review describing the activity compared to the strategy.

2 Report

- 2.1 Please refer to the Treasury Management Mid-Year Review, **Essential Reference Paper 'B': Treasury Management Mid-Year Review 2017-18**.
- 2.2 Updated interest rate forecast, provided by Link Asset Services following the recent increase in bank rate **Essential Reference Paper 'C': Updated Interest Rate Forecast 07th November 2017**.
- 2.3 This report will be considered by the Performance, Audit and Governance Scrutiny Committee on 21 November 2017 and any comments made will be reported verbally to the Executive.

3 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 (2013)

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