

EAST HERTS COUNCIL

COUNCIL –18 December 2019

REPORT BY EXECUTIVE MEMBER FOR FINANCIAL SUSTAINABILITY

ANNUAL TREASURY MANAGEMENT REVIEW 2018-19

WARD(S) AFFECTED:            NONE

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**Purpose/Summary of Report**

The report reviews the Council's treasury management activities for 2018/19, including the prudential indicators and identifies the associated impact on the 2019/20 treasury management strategy.

<b><u>RECOMMENDATION FOR COUNCIL: that</u></b>	
<b>(A)</b>	<b>The 2018/19 Treasury Management Activity and Prudential Indicators be approved.</b>

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 – Link Asset Services.

1.3 This report has been written in accordance with the

requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).

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 2018-19 and Prudential Indicators 2018-19.

## 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 (2017)

CIPFA Prudential Code for Capital Finance in Local Authorities (2017)

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