

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**REPORT OF THE EXECUTIVE MANAGEMENT TEAM TO COUNCIL**

**Date 17 September 2014**

**1. Treasury Management Annual Report 2013/14**

**Submitted by: Head of Finance**

**Portfolio: Finance and Resources**

**Ward(s) affected: All indirectly**

**Purpose of the Report**

To receive the Treasury Management Annual Report for 2013/14

**Recommendations**

- a) That the Treasury Management Annual Report for 2013/14 be received.**
- b) That the Actual Prudential Indicators contained within the report be approved.**

**Reasons**

It is a requirement of the CIPFA Treasury Management Code of Practice and its Prudential Code for Capital Finance that an Annual Report is made to the Council in respect of each year's Treasury Management activities.

**1. Background**

- 1.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice. This requires an Annual Report to be made to the Council concerning Treasury Management activities after the end of each year. In addition the Prudential Code for Capital Finance requires that the Actual Prudential Indicators for the year be reported to and approved by the Council.
- 1.2 The Audit and Risk Committee monitor and oversee the delivery of the Treasury Management Strategy. The Treasury Management Annual Report for 2013/14 has already been reviewed by the Audit and Risk Committee at their meeting on 21 July 2014.
- 1.3 Treasury Management operations are carried out by your Officers in accordance with policies laid down in the currently approved Treasury Policy Statement, backed up by approved Treasury Management Practices and Schedules thereto, and the Annual Treasury Management Strategy Report.

## 2. **Issues**

- 2.1 The Annual Report for 2013/14 is attached as Appendix 1 (paper). This contains information supplied by the Council's Treasury Management advisors, Sector, augmented by data provided by your Officers. As well as giving a summary of the Council's Treasury Management activities during 2013/14, the report provides an analysis of the economic markets and trends. It also details the Actual Prudential Indicators for 2013/14.

## 3. **Proposal**

- 3.1 That the Treasury Management Annual Report 2013/14 be received.

## 4. **Legal and Statutory Implications**

- 4.1 The Local Government Act 2003 and Regulations thereto require Local Authorities to comply with the Prudential Code.

## 5. **Equality Impact Assessment**

- 5.1 There are no equality issues arising from the Annual Report.

## 6. **Financial and Resource Implications**

- 6.1 There are no specific financial implications arising from the Annual Report.

## 7. **Major Risks**

- 7.1 Treasury Management is a major area of risk for the Council in that large amounts of money are dealt with on a daily basis and there are a number of limits and indicators, which must be complied with.
- 7.2 The overriding consideration in determining where to place the Council's surplus funds is to safeguard the Council's capital. Within this constraint the aim is to maximise the return on capital.

## 8. **Key Decision Information**

- 8.1 All wards are indirectly affected.

## 9. **Earlier Cabinet/Committee Resolutions**

- 9.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2009 was initially adopted by this Council on 24<sup>th</sup> February 2010.

## 10. **List of Appendices**

- 10.1 Appendix 1 - Treasury Management Annual Report 2013/14

11. **Background Papers**

- 11.1 CIPFA Treasury Management Code of Practice; Council's Treasury Management Strategy Statement 2013/14, CIPFA Prudential Code for Capital Finance in Local Authorities and guidance notes thereto, Local Government Act 2003, Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, Sector's Model Report for 2013/14 and Guidance on Local Authority Investments issued by ODPM in March 2004.