

## **TREASURY MANAGEMENT ANNUAL REPORT 2011/12**

**Submitted by:**        **Head of Finance**

**Portfolio:**            **Resources and Efficiency**

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

### **Purpose of the Report**

To receive the Treasury Management Annual Report for 2011/12.

### **Recommendations**

- (a) That the Treasury Management Annual Report for 2011/12 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 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 2011/12 is attached as an Appendix. 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 2011/12, the report provides an analysis of the economic markets and trends. It also details the Actual Prudential Indicators for 2011/12.

### **3. Proposal**

- 3.1 That the Treasury Management Annual Report 2011/12 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**

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 adopted by this Council on 24 February 2010. This updated the previous code produced in 2001 that had been adopted by the Council on 27 February 2002.

10. **List of Appendices**

10.1 Appendix - Treasury Management Annual Report

11. **Background Papers**

11.1 CIPFA Treasury Management Code of Practice; Council's Treasury Management Strategy Statement 2011/12, 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 2011/12 and Guidance on Local Authority Investments issued by ODPM in March 2004.