

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **FLINTSHIRE COUNTY COUNCIL**

DATE: **TUESDAY, 27 JANUARY 2015**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **TREASURY MANAGEMENT MID-YEAR REPORT
2014/15**

1.00 PURPOSE OF REPORT

1.01 To present to Council the Treasury Management Mid Year Report for 2014/15 for approval.

2.00 BACKGROUND

2.01 The Mid Year Report reviews the activity and performance of the treasury management operations during the period 1st April to 30th September 2014 and compares them with the Treasury Management Strategy.

2.02 This report was presented to Cabinet on 20th January 2015 and any comments they had will be reported verbally. This followed the recommendation of the Audit Committee which considered the report in detail.

3.00 CONSIDERATIONS

3.01 In summary, the key points of the Mid Year Report are:

- Performance during the period marginally exceeded the expectations of the TM Strategy 2014/15.
- The UK economy saw stronger economic growth during the first half of the year with falling unemployment but this is against a backdrop of historically low interest rates, low inflation and depressed wages. A number of global factors exist which have the potential to impact on the continued recovery as outlined in the economic update in section 3 of the report.
- No new borrowing has been undertaken so far during 2014/15, therefore total long term borrowing stands at £172.1m with associated interest costs of £3.553m paid during the 6 month period at an average interest rate of 5.42% as expected.
- Preparations are being made for the abolition of the Housing Revenue Account Subsidy (HRAS) system in Wales and the introduction of 'Self Financing' for the Housing Revenue Account,

which will have an impact on the Council's level of debt. Section 4 of the report provides further information.

4.00 RECOMMENDATIONS

4.01 That the Council approves and the Treasury Management Mid Year Report 2014/15.

5.00 FINANCIAL IMPLICATIONS

5.01 As set out in the report.

6.00 ANTI POVERTY IMPACT

6.01 None directly as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly as a result of this report.

8.01 EQUALITIES IMPACT

8.01 None directly as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 Arlingclose Ltd as Treasury Management Advisers

11.00 CONSULTATION UNDERTAKEN

11.01 Arlingclose Ltd as Treasury Management Advisers

12.00 APPENDICES

12.01 Treasury Management Mid Year Report 2014/15

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

None.

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