

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **FLINTSHIRE COUNTY COUNCIL**

DATE: **THURSDAY, 24TH SEPTEMBER 2015**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **TREASURY MANAGEMENT ANNUAL REPORT
2014/15**

1.00 PURPOSE OF REPORT

1.01 To present to Members the Annual Treasury Management Report for 2014/15.

2.00 BACKGROUND

2.01 The Council has adopted the CIPFA Treasury Management in the Public Services: Code of Practice, which requires Council to approve a treasury management investment strategy before the start of each financial year, a mid year report, and an annual report at the end of each financial year.

2.02 The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for execution and administration of treasury management decisions to the Corporate Finance Manager, who acts in accordance with the Council's Treasury Management Policy Statement, Strategy and Practices.

2.03 On 18th February 2014, the Council approved the Treasury Management Strategy 2014/15, following the recommendation of the Cabinet and consideration by the Audit Committee. The Annual Report reviews the activities and performances of the treasury management operations during 2014/15 and compares this with the Policy, Strategy and Practices.

2.04 The Council has nominated the Audit Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies.

3.00 CONSIDERATIONS

- 3.01 The Treasury Management Annual Report for 2014/15 is attached as Appendix 1 for approval. As required by the Council's Financial Procedure Rules, this Annual Report was reviewed by Audit Committee on 15th July 2015 and approved and recommended to Council by Cabinet on 15th September 2015.

Summary of Key Points

- 3.02 The UK bank base interest rate again remained at its historic low of 0.5% throughout the year. This was reflected in the low level of interest that the Council was able to generate on its investments; the average interest rate for investments during the year was 0.54%. Section 2 of the annual report provides a review of the economy and interest rates, and Section 4 provides further details of the Council's investment activity during the year.
- 3.03 No new borrowing was undertaken during the year; the Council continued to use cash reserves to fund capital expenditure in place of new borrowing. Debt rescheduling opportunities were considered by officers and the Council's Treasury Management advisors. However, the premia charged for repaying high interest rate debt or replacing it with debt at a lower interest rate was deemed too expensive and therefore made any debt rescheduling unattractive. Section 3 of the annual report provides more information on borrowing and debt management during the year.
- 3.03 The treasury function operated within the limits detailed in the Treasury Management Strategy 2014/15.

4.00 RECOMMENDATIONS

- 4.01 That the Council approves the Annual Treasury Management Report for 2014/15.

5.00 FINANCIAL IMPLICATIONS

- 5.01 As set out in the Annual 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.

8.00 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 Advisors.

11.00 CONSULTATION UNDERTAKEN

11.01 Arlingclose Ltd. as Treasury Management Advisors.

12.00 APPENDICES

12.01 Annual Treasury Management Report 2014/15.

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

Treasury Management Policy Statement 2013-2016
Treasury Management Investment Strategy 2014/15
Treasury Management Practices 2013-2016
Schedule of temporary investment transactions 2014/15
Approved Counterparty list as at 31st March 2015.

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