

Meeting: Council

Date: Wednesday 18 November 2015

Subject: Annual treasury management annual report 2014/15

Report of: Councillor Gill Mattock on behalf of the Cabinet

The Council is asked to consider the minute and resolution of the Cabinet meeting held on 2 September 2015 as set out below.

Further copies of the report to Cabinet are available on request – please see end of this report. A copy may be seen on the Council’s website by following the link below:

<http://democracy.eastbourne.gov.uk/ieDocHome.aspx?bcr=1>

The Council is recommended to:-

Approve: (1) the annual treasury management report for 2014/15 and that specific approval be given to the 2014/15 prudential and treasury indicators included within the report; and (2) the proposed amendment to the Council’s treasury management policy to allow lending to investment companies.

***27 Annual treasury management annual report 2014/15**

27.1 Cabinet considered the report of the Chief Finance Officer. This report covered the treasury management activity and performance for the financial year 2014/15. The council’s treasury management activities were regulated by a variety of professional codes, statutes and guidance.

27.2 Past changes in the regulatory environment had placed a much greater onus on members for the review and scrutiny of treasury management policy and activities. This report was important in that respect, as it provided details of the outturn position for treasury activities and highlighted compliance with the council’s policies previously approved by members. It was also confirmed that the council had complied with the requirement under the code to give prior scrutiny to all of the above treasury management reports by the Audit and Governance Committee before they were reported to full council.

27.3 The report summarised:

- Capital activity during the year.
- Impact of this activity on the council’s underlying indebtedness (the capital financing requirement).

- Reporting of the required prudential and treasury indicators.
- Overall treasury position identifying how the council had borrowed in relation to this indebtedness, and the impact on investment balances.
- Summary of interest rate movements in the year.
- Debt and investment activity.

27.4 The Chief Finance Officer also confirmed that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit), had not been not breached. He commented that the financial year 2014/15 continued the challenging environment of previous years; low investment returns and continued counterparty risk.

27.5 Cabinet had previously approved the set up of a wholly owned asset holding company; Eastbourne Housing Investment Company Ltd. Members were asked to approve a change to The Council's treasury management policy to allow lending to this wholly owned asset company on commercial terms. The final details of the loan arrangements would be delegated to the Chief Finance Officer.

27.6 Councillor Mattock asked that the finance team be congratulated for their treasury management activities.

27.7 *Resolved (budget and policy framework): That full Council be recommended to approve: (1) the annual treasury management report for 2014/15 and that specific approval be given to the 2014/15 prudential and treasury indicators included within the report; and (2) the proposed amendment to the Council's treasury management policy to allow lending to investment companies.

For a copy of the report please contact Local Democracy at 1 Grove Road, Eastbourne, BN21 4TW. Tel. (01323) 415022 or 415021.
E-mail: localdemocracy@eastbourne.gov.uk

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