

STOCKPORT COUNCIL

REPORT TO CABINET MEETING – SUMMARY SHEET

Subject: Treasury Management Annual Report 2016/17

Report to Cabinet Meeting

Date: 18 July 2017

Report of: Leader of the Council and Cabinet Member for Policy, Finance & Devolution

Key Decision:

Forward Plan ☒ General Exception ☐ Special Urgency ☐

Summary:

The purpose of this report is to inform the Cabinet on the operation and effectiveness of the Council's Treasury Management function for 2016/17.

Throughout 2016/17 the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators are found in the main body of the report.

The Borough Treasurer confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit) was not breached.

This annual review report is a backward-looking review of the treasury management operation for the previous financial year and is the last report in the 2016/17 reporting cycle.

The annual report covers:

- Capital expenditure and financing during the year;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement (CFR));
- Reporting of the required prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to its indebtedness and the impact on investment balances;
- Summary of interest rate movements in year;
- Detailed debt activity, and
- Detailed investment activity.

In treasury management terms the 2016/17 financial year largely continued the challenging environment of previous years, with lasting low investment returns and counterparty risk remaining high.

Comments/Views of the Cabinet Member:

There has been good performance in 2016/17 against the guidelines laid down through the Treasury Strategy approved by Cabinet on 16 February 2016 and Council on 3 March 2016.

The return on investments has exceeded the recognised benchmark and new borrowing has been taken in line with interest rate expectations, minimising debt costs.

Recommendation(s) of Cabinet Member:

The Cabinet is asked to recommend that the Council Meeting:

- Approve the actual 2016/17 prudential and treasury indicators in this report;
- Note the annual treasury management report for 2016/17;
- Note that no fundamental changes have been made during 2016/17 to the Treasury Management Policy Statement and Practices approved at the Council meeting on 16 September 2016.

Relevant Scrutiny Committee (if decision called in):
Corporate, Resource Management & Governance

Background Papers (if report for publication):

There are none.

Contact person for accessing
background papers and discussing the report

Officer: Lorna Soufian
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'Urgent Business': Yes ☒ No *(Please circle)*

Certification (if applicable)

This report should be considered as 'urgent business' and the decision exempted from 'call-in' for the following reason(s):

The written consent of Councillor _____ and the Chief Executive/Monitoring Officer/Corporate Director for Corporate and Support Services for the decision to be treated as 'urgent business' was obtained on _____ /will be obtained before the decision is implemented.
