

Item 6 – Treasury Management Mid Year Update

The attached report was considered by the Finance Advisory Committee, relevant Minute extract below:

Finance Advisory Committee – 17 November 2015 (Minute 19)

The Principal Accountant presented a report that detailed the mid-year treasury activity in the first half of the current financial year with recent developments in the financial markets which fulfilled the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

He explained that changes were recommended to the Council's credit methodology placing less reliance on implied levels of sovereign support, in line with the major ratings agencies. Two minor breaches of the Annual Investment Strategy had occurred, exceeding the sums to be held in any institution but in each case these had been corrected the next day.

In response to a question concerning the progress of the Local Government Association's Municipal Bond Agency, he explained that the agency was expecting to issue the first bond in the first quarter of 2016 but was still looking for borrowers prepared to commit.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that the Treasury Management Mid-Year Update for 2015/16, including the changes to the credit methodology whereby viability, financial strength and support rating would not be considered as key criteria in the choice of creditworthy investment counterparties be approved.