

REPORT TO:	Council
REPORT NO:	HF/133/18
DATE:	12 December 2018
LEAD MEMBER:	Councillor Mark Pritchard (Organisation – Finance, Performance, Health & Safety and Governance)
CONTACT OFFICER:	Mark Owen (Tel: 292704)
SUBJECT:	Semi-Annual Treasury Management Review 2018-19
WARD:	N/A

1. PURPOSE OF THE REPORT

To review the Semi-Annual Treasury Management activity for 2018-2019

2. EXECUTIVE SUMMARY

- 2.1 Under the requirements of CIPFA's Treasury Management in the Public Services Code of Practice, revised 2017, the Council is required to ensure that a report is taken to the body of the Council responsible for setting its Treasury Management Practices, that demonstrates in year performance against agreed indicators; this report discharges that responsibility.
- 2.2 Consideration of this report and its appendix was undertaken by Executive Board on 13 November 2018 and its contents noted.
- 2.3 The Capital Financing Requirement is currently forecast to increase by £23.16m to £433.90m between the period 31 March 2018 and 31 March 2019, with a significant element of this required to support the Housing Revenue capital programme in the continued progression toward delivering the Welsh Quality Housing Standard.
- 2.4 Total debt and long term liabilities decreased by £24.31m to £367.75m between 31 March 2018 and 30 September 2018; this is largely due to the reduction in short term borrowing from £65m to £30m, £12m of this being replaced by long term borrowing taken with the Public Works Loans Board repayable over a twenty year period.
- 2.5 Consideration in regards to the merits of using short term versus long term borrowing to finance capital expenditure are taken with regard to a number of

factors including prevailing interest rates for both, and availability in the market place; any decision in this respect is taken in conjunction with the Council's Treasury Management advisors Arlingclose.

- 2.6 Investments reduced by £11.65m to £2.29m.
- 2.7 As the Council's Section 151 Officer, the Head of Finance confirmed that Treasury Management activity was within the Council's Borrowing Limit and Treasury Management Indicators.

3. RECOMMENDATIONS

- 3.1 **Members note the Treasury Management Semi-Annual review 2018-2019 report.**

REASON FOR RECOMMENDATION

To comply with the CIPFA Prudential Code and Code of Practice on Treasury Management.

4 BACKGROUND INFORMATION

- 4.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services. The Code provides that the responsible Financial Officer presents an annual report on the performance of the Treasury Management function.
- 4.2 The Semi-Annual Treasury Management Review report for 2018-19 is attached in Appendix A.

5 IMPLICATIONS

- 5.1 **Policy Framework** – This falls under the Organisation theme of the Council Plan 2018-2023.
- 5.2 **Budget** – The Council's General Fund net Capital Financing Budget for 2018/19 is £8,317k, and for the Housing Revenue Account £17,414k.
- 5.3 **Legal** – None.
- 5.4 **Staffing** – There are no direct staffing implications as a result of this report.
- 5.5 **Equality/Human Rights** – Equality Impact Assessment has been completed (FIN/EIA00144/2018). There is no impact on groups with protected characteristics as this represents the factual six monthly review position for Treasury Management activities.
- 5.6 **Risks** – Treasury Management Risks are addressed in the Council's Treasury Management Practices, last reported to Executive Board on 10 February 2016.

6 CONSULTATION

- 6.1 The report has been discussed with the Council's Treasury Management and Capital Finance Consultants.

7 EVALUATION OF OPTIONS

- 7.1 The report is concerned with historical activity only, no options are considered.

BACKGROUND PAPERS	LOCATION	WEBSITE INFO.
1. CIPFA Code of Practice: Treasury Management in the Public Services	Finance Department	Hard copy available in Finance Department.
2. CIPFA Prudential Code	Finance Department	Hard copy available in Finance Department.
3. Welsh Government Guidance on Local Government Investments	Finance Department	http://gov.wales/topics/localgovernment/finandfunding/publications/lginvest/?lang=en
4. Wrexham County Borough Council Financial Regulations	Finance Department	http://www.internal.wrexham.gov.uk/wordpress/sam/departments/finance/financial-regulations-fin-regs/