

To: City Executive Board

Date: 5th. December 2012

Report of: Finance and Performance Panel

Title of Report: Treasury Management Mid Year Review

Summary and Recommendations

Purpose of report: To present comments from the Finance and Performance Panel

Key decision? No

Scrutiny Lead Member: Councillor Rowley

Executive lead member: Councillor Turner

Policy Framework: Sustaining Financial Stability

Recommendation(s): For the City Executive Board to say if it agrees or disagrees with the following recommendations

Recommendation 1

That the counterparty list and investment periods are reviewed now rather than waiting for the 2013/2014 strategy.

Recommendation 2

That the Council should have an open mind to local investments where risk could be assessed to the levels required within our strategy.

Introduction

1. The Scrutiny Finance and Performance Panel considered the Treasury Management Mid Year Review at their meeting on the 26th. November 2012.

2. The Panel noted the continuing difficult economic conditions and the effects of this on investment returns. Despite this the Panel was pleased to see that the budget target is forecast to be achieved.

Conclusions and Recommendations

3. The situation is difficult and is likely to remain so into the medium term. The only adjustments available to the Council to get best value from the investment pot is to have active and on-going consideration of the counterparty list and investment periods.

Recommendation 1

That the counterparty list and investment periods are reviewed now rather than waiting for the 2013/2014 strategy.

4. The Panel discussed opportunities for local investments and how these might prove more profitable than larger institutions. There was recognition of the difficulties in assessing the risk and potential profitability of these but nevertheless thought that the Council's mind should not be closed to these opportunities.

Recommendation 2

That the Council should have an open mind to local investments where risk could be assessed to the levels required within our strategy.

Board Member and Director Comments

5. Comments will be made at the meeting.

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List of background papers:

Version number: 1