

To: City Executive Board

Date: 10 September 2014

Report of: Scrutiny Finance Panel

Title of Report: Treasury Management

Summary and Recommendations

Purpose of report: To present conclusions and recommendations of the Scrutiny Finance Panel on Treasury Management.

Key decision? No

Scrutiny Lead Member: Councillor Simmons

Executive lead member: Councillor Turner

Policy Framework: Treasury Management Strategy

Recommendation: For the City Executive Board to say if it agrees or disagrees with the following recommendation:

Recommendation

That consideration is given to how the capital process can be made more flexible so that approved projects can be brought forward to mitigate slippage elsewhere in the programme.

Introduction

1. The Scrutiny Finance panel considered the Treasury Management Annual Report 2013/2014 and Treasury Management Performance 2014/15 – Quarter 1. The Panel would like to thank Anna Winship for supporting this discussion.
2. The Panel was pleased to note that the overall treasury management position remains healthy, with good performance against most prudential indicators. The Panel agreed the following conclusions and recommendation.

Conclusions and recommendation

3. Where financial information was presented as a percentage change, the context should also be provided. Officers agreed to take this point on board.
4. High rates of return from the CCLA fund were welcome although transaction costs are also high. Caution against withdrawal early
5. The policy decision of the Co-operative Bank not to renew contracts with local authority customers was regrettable. The Panel received assurances that ethical policies and strategies were being considered as part of the procurement process for a new banking provider.
6. The extent of capital slippage in 2013/2014 and early indications of further slippage in 2014/2015 was a big concern. The Panel wished to see a more flexible approach to capital where projects can be brought forward to mitigate slippage elsewhere in the programme.
7. The focus on reviewing the capital process was endorsed and the Panel agreed to review progress at its meeting in January 2015.

Recommendation

That consideration is given to how the capital process can be made more flexible so that approved projects can be brought forward to mitigate slippage elsewhere in the programme.

Director and Board Member Comments

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List of background papers: None

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