

**Item CB 17/5 referred from Cabinet minutes of 31 January 2017**

**CB 17/5 TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2017/18**

The report of the Director of Finance and Transformation provided details of investments undertaken and returns achieved in the first nine months of the current financial year together with an introduction to the Treasury Management and Annual Investment Strategy for 2017/18.

It was noted that investment income at the end of December was £22,900 above budget for the same period although the pattern of income generation had changed significantly following the August Bank Rate cut which resulted in lower returns going forward. Nevertheless it was expected that income for the year as a whole would still be in line with the original budget.

Reference was made to a review of investment duration and additional flexibility, subject to appropriate safeguards, was sought. The report explored the use of property funds for long term investment and recommended their inclusion in the 2017/18 Annual Investment Strategy.

It was noted that the Audit Committee had reviewed the matters covered by the report at its meeting on 23 January 2017 and commended the Strategy for adoption.

**RECOMMENDED:** That

- (1) the treasury management position as at 31 December 2016 be noted;
- (2) the use of property funds for long term investment be endorsed;
- (3) subject to the caveats identified in paragraph 1.3.14 of the report, the Council allow up to six months to be added to Capita's suggested duration for UK institutions, subject to overall duration not exceeding 12 months; and
- (4) the Annual Investment Strategy for 2017/18, as set out at Annex 4 to the report, be adopted.

**\*Referred to Council**