

Item AU 17/31 referred from Audit Committee minutes of 3 July 2017

AU 17/31 TREASURY MANAGEMENT UPDATE AND ANNUAL REPORT FOR 2016/17

The report of the Director of Finance and Transformation provided an update on treasury management activity undertaken during April and May of the current financial year within the context of the national economy. The treasury management outturn position for 2016/17, reported to the Cabinet on 28 June 2017, was also presented.

The Committee was advised that the outcome of the General Election had added to market uncertainty surrounding the Brexit negotiations. The interest rate forecast provided by Capita anticipated the Bank Rate remaining at 0.25% until June 2019.

It was noted that the summary of investment performance for 2016/17 indicated that the combined performance of the Council's cash flow and core funds had bettered the revised estimate by £25,500. Investment income earned in April and May of 2017/18 was also higher than expected, exceeding the estimate for the same period by £12,050.

The report provided a commentary on long term investment including progress in implementing the Council's decision regarding investment in property funds.

RECOMMENDED: That the following be commended to the Council:

- (1) the action taken by officers in respect of treasury management activity for April and May 2017 be endorsed;
 - (2) the progress being made in respect of property fund investment be noted; and
 - (3) the 2016/17 outturn position be noted.
- *Referred to Council**