

TREASURY MANAGEMENT ANNUAL REPORT 2009/10
(Report by the Overview and Scrutiny Panel (Economic Well-Being))

1. INTRODUCTION

- 1.1 At its meeting held on 10th June 2010, the Overview and Scrutiny Panel (Economic Well-Being) considered a report outlining the performance of the Council's Fund Managers for the year ending 31st March 2010 in the investment of the Council's Capital receipts. In accordance with the CIPFA Code of Practice, the Economic Well-Being Panel has formal responsibility for scrutinising Treasury Management and this report summarises the Panel's discussions.

2. THE PANEL'S DISCUSSIONS

- 2.1 The Panel has paid particular attention to the scheme through which town and parish council's can deposit funds with the District Council for investment. Having noted the origins of the scheme, the Panel has been made aware of the strict legal framework within which it operates in that, for example, the District Council cannot borrow to invest. Members have considered whether there might be any benefit in varying the scheme's current terms. While the administrative costs and low level of likely returns mean it would not be worth reducing the minimum sum that can be invested, there might be an opportunity to tailor investments that exceed £250k.
- 2.2 The Panel has acknowledged that the Council has performed well regarding the returns it has achieved on its investments in the year. Members have noted that the initial forecast was based on an assumption that provision should be made for payment of interest in the first year when this was not the case. An adjustment will be made for 2010/11.
- 2.3 With regard to the Council's advisors on investments, Members have discussed the value of the service they provide. Although the cost to the Council is relatively low, the Panel consider that the Council should review whether they are needed in two years time, when balances have reduced.
- 2.4 Having discussed the security of investments and received an update on the request for a loan by the Wildlife Trust for Bedfordshire, Cambridgeshire, Northamptonshire and Peterborough, Panel has endorsed the report for submission to the Cabinet.

3. RECOMMENDATION

- 3.1 The Cabinet is requested to take into consideration the views of the Overview and Scrutiny Panel (Economic Well-Being) as set out above when considering this item.

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