

**TREASURY MANAGEMENT – REVIEW OF PERFORMANCE  
(Report by the Overview and Scrutiny Panel (Economic Well-Being))**

**1. INTRODUCTION**


- 1.1 At its meeting held on 11th November 2010, the Overview and Scrutiny Panel (Economic Well-Being) considered a report by the Head of Financial Services reviewing the performance of the Council's Investments for the period 1<sup>st</sup> April to 30<sup>th</sup> September 2010. This report summarises the Panel's discussion

**2. THE PANEL'S DISCUSSIONS**

- 2.1 The Panel has been reminded of the background to the introduction earlier in the year of enhanced arrangements for overseeing the management of the Council's financial investments and borrowing. These include the adoption of a strategic approach that emphasises the security and liquidity of investments and closer monitoring of performance.
- 2.2 Members have been acquainted with the rates available for investments and borrowing. They have, in particular, discussed the extent to which the Council should accept some minor level of risk in return for higher levels of interest. While some local authorities prefer to accept a lower return for complete security, Members are of the view that the securities offered by Building Societies are sufficient to minimise the risk to the Council for short term investments. In addition, there are limits on the amounts that can be invested and they are available immediately. They have, therefore, endorsed this practice.
- 2.3 The Panel has endorsed the decision to invest with the Cambridge Building Society. Not only has this achieved a higher rate of return compared with other Building Societies for a short term investment, it also provides funds for the Building Society that it can lend to local businesses, thereby promoting local economic growth.
- 2.4 The Panel has been acquainted with changes to the definition used for fixed and variable rate investments. In the circumstances, Members have endorsed the recommendation contained in paragraph 7.2 of the report relating to the limits for each type of investment.
- 2.5 The Panel is of the view that the Cabinet should recommend the Council notes the report by the Head of Financial Services.

**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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