

# TREASURY MANAGEMENT ACTIVITIES 2007/08

## PORTFOLIO RESPONSIBILITY: RESOURCES

CABINET

31 JULY 2008

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### Wards Affected

Countywide.

### Purpose

To note the council's treasury management activities for the period 1 April 2007 to 31 March 2008 and the outturn of Prudential Indicators for the year 2007/08.

### Key Decision

This is not a key decision.

### RECOMMENDATION

**THAT the report detailed in Appendix 1 be noted.**

### Reasons

1. The reporting of the past financial year's performance is a requirement of the council's Treasury Management Policy Statement.

### Considerations

2. A detailed report is attached at Appendix 1 with the following key points specifically drawn to the attention of Cabinet:
  - a. Herefordshire Council regards the successful identification, monitoring and control of risk as the prime criteria by which the effectiveness of its treasury management activities are measured.
  - b. With regard to the transactions for the financial year 2007/08, the council's treasury management activities created an under spend against budget (Section 4 of the report refers).
  - c. The return on internally managed investments exceeded the index benchmark for 2007/08 (Section 3 of the report refers). In 2007/08 treasury management activity made a contribution of £2.8m to the Council's finances. This was £804k above target.
  - d. The externally managed funds were brought in-house during 2007/08. This was done because the Council's own investment performance exceeded that of Investec who had been managing £7.8m of our funds.
  - e. The treasury limits and prudential indicators were complied with during 2007/08 (Section 7 of the report refers).

## **Risk Management**

3. Risk is managed in accordance with the Treasury Management Policy Statement.

## **Consultees**

None identified.

## **Background Papers**

None identified.