

WYPCC – Decision

From: Sophie Abbott, Interim CFO

Date: 29 July 2014

Circulation list:

Mark Burns Williamson
Fraser Sampson
Isabel Owen

Timing:	Routine
Purpose:	Acceptance of the Treasury Management Stewardship Report for 2013/14.
Cleared by:	Sophie Abbott.

SUBJECT OF ADVICE Treasury Management Stewardship Report 2013/14

Summary: An annual stewardship report is a requirement of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice, the adoption of which is incorporated in the Police and Crime Commissioner's (PCC) Financial Regulations. The Stewardship Report for 2013/14 is attached. This has been subject to scrutiny by the Joint Independent Audit Committee, which recommended it to the PCC for approval

Recommendation: That the Commissioner agrees the Stewardship Report.

Affordability: As set out in the report.

Supporting and Dissenting Views: The report was recommended to the PCC for approval by the Joint Independent Audit Committee.

APPENDICES: Treasury Management Stewardship Report 2013/14.

JOINT INDEPENDENT AUDIT COMMITTEE

17 JULY 2014

REPORT OF INTERIM CHIEF FINANCE OFFICER

SUBJECT: TREASURY MANAGEMENT STEWARDSHIP REPORT 2013/14

PURPOSE OF REPORT

1. To provide outturn information on treasury management activities and prudential indicators for the year ended 31st March 2014, as required under the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice and the CIPFA Prudential Code.

KEY INFORMATION

2. An annual stewardship report is a requirement of the CIPFA Treasury Management Code of Practice, the adoption of which is incorporated in the Police and Crime Commissioner's (PCC) Financial Regulations.
3. Treasury Management is the management of the PCC's cash flows, banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.
4. As outlined above, treasury management encompasses the following activities which are dealt with in this report:
 - Funding of capital expenditure through short, medium or long-term borrowing, capital receipts, grants, leasing or revenue (Appendix A)
 - Managing the PCC's debt portfolio (Appendix B)
 - Managing other capital resources (Appendix C)
 - Investment arrangements, external fund management and managing the PCC's cash flow (Appendix D)
 - Managing legislative changes (Appendix E)
5. The agreed treasury strategy for 2013/14 is summarised in Appendix F. All treasury activity during 2013/14 was compliant with the strategy.
6. There are a number of prudential indicators that relate to treasury management activity. The outturn position is given at Appendix G.

AFFORDABILITY

7. The financial implications associated with treasury management activity in 2013/14 are set out below.

	Original Estimate 2013/14 £000	Revised Estimate 2013/14 £000	Actual 2013/14 £000
Interest Payable	4,143	4,087	4,110
Debt Management Expenses	7	12	12
Interest Receivable	(608)	(501)	(522)
Net Total	3,542	3,598	3,600

STRATEGIC RISK IMPLICATIONS

8. Treasury management activities expose the PCC to a variety of financial risks, the key risks being credit risk, liquidity risk, re-financing risk and market risk. Overall procedures for managing risk include adopting the requirements of CIPFA's Code of Practice (including an approved Treasury Strategy and Investment Strategy), and approving annually in advance prudential indicators for the following three years.

RECOMMENDATION

9. That members determine whether the prudential indicators are appropriate for recommendation to the PCC. Members are also requested to examine the information provided to satisfy themselves that treasury activity is in line with the agreed strategy and recommend the stewardship report for 2013/14 to the PCC.

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SUPPORTING DOCUMENTATION

Appendices A to G.

BACKGROUND PAPERS

CIPFA Prudential Code for Capital
Finance in Local Authorities

CIPFA Code of Practice for
Treasury Management in the Public
Services