

Cabinet



Forest Heath
District Council

Title of Report:	Recommendation of the Performance and Audit Scrutiny Committee: 24 November 2016 – Mid-Year Treasury Management Performance Report and Investment Activity (April – September 2016)	
Report No:	CAB/FH/16/057	
Report to and dates:	Cabinet	13 December 2016
	Council	21 December 2016
Portfolio Holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk	
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Lead Officers:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	On 24 November 2016, the Performance and Audit Scrutiny Committee received Report No: PAS/FH/16/033 which presented the Council's Mid-Year Treasury Management Report summarising the investment activity for the period 1 April to 30 September 2016.	

Recommendation:	It is <u>RECOMMENDED</u> that, subject to the approval of Council, the Mid-Year Treasury Management Report 2016-2017, attached at Appendix 1 to Report No: PAS/FH/16/033, be approved.		
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/> <i>(As it is a Council decision)</i>		
Consultation:	<ul style="list-style-type: none"> See Report No: PAS/FH/16/033 		
Alternative option(s):	<ul style="list-style-type: none"> See Report No: PAS/FH/16/033 		
Implications:			
<i>Are there any financial implications? If yes, please give details</i>	<ul style="list-style-type: none"> See Report No: PAS/FH/16/033 		
<i>Are there any staffing implications? If yes, please give details</i>	<ul style="list-style-type: none"> See Report No: PAS/FH/16/033 		
<i>Are there any ICT implications? If yes, please give details</i>	<ul style="list-style-type: none"> See Report No: PAS/FH/16/033 		
<i>Are there any legal and/or policy implications? If yes, please give details</i>	<ul style="list-style-type: none"> See Report No: PAS/FH/16/033 		
<i>Are there any equality implications? If yes, please give details</i>	<ul style="list-style-type: none"> See Report No: PAS/FH/16/033 		
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
See Report No: PAS/FH/16/033			
Wards affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		Annual Treasury Management and Investment Strategy 2016-2017 (Report No PAS/FH/16/033 ; Appendix 1)	
Documents attached:		None	

1. Key issues and reasons for recommendation

1.1 Mid-Year Treasury Report 2016-2017 and Investment Activity (April to September 2016)

- 1.1.1 The Committee received Report No: PAS/FH/16/033, which provided a summary of investment activities for the first six months of 2016-2017. Full details of treasury management activities during the period attached at Appendix 1 to the report. It was reported as at 30 September 2016, the Council held £18,425,000 of investments.
- 1.1.2 Explanations were provided on the under-achievement of interest earned during the period, which was mainly due to the reduction in funds available for investment following the purchase of the Toggam Solar Farm.
- 1.1.3 Explanations were also provided on the reduced average rate of return during the period, which was due to the reduction in the Bank of England base rate and the resulting reduction of interest rates offered by institutions.
- 1.1.4 The Committee scrutinised the Mid-Year Treasury Report 2016-2017, and asked questions of Officers to which responses were provided.
- 1.1.5 The Performance and Audit Scrutiny Committee has put forward recommendations as set out on page two of this report.