

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Recommendation of the Performance and Audit Scrutiny Committee: 25 January 2017 Treasury Management Report 2016/2017 – Investment Activity (1 April to 31 December 2016)</b>	
<b>Report No:</b>	<b>CAB/SE/17/006</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	7 February 2017
	<b>Council</b>	21 February 2017
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<b>Chairman of the Committee:</b>	Sarah Broughton Performance and Audit Scrutiny Committee <b>Tel:</b> 01284 787327 <b>Email:</b> <a href="mailto:sarah.broughton@stedsbc.gov.uk">sarah.broughton@stedsbc.gov.uk</a>	
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<b>Purpose of report:</b>	On 25 January 2017, the Performance and Audit Scrutiny Committee considered Report No: <b>TMS/SE/17/001</b> , which had been scrutinised by the Treasury Management Sub-Committee on 16 January 2017.  The report presented the Council's Treasury Management Report summarising the investment activity for the period 1 April to 31 December 2016.	

<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u> that, subject to the approval of Council, the Treasury Management Report 2016-2017, attached at Appendix 1 to Report No: TMS/SE/17/001, be approved.</b>		
<b>Key Decision:</b> <i>(Check the appropriate box and delete all those that <b>do not</b> 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"/>		
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>See Report No: TMS/SE/17/001</li> </ul>		
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>See Report No: TMS/SE/17/001</li> </ul>		
<b>Implications:</b>			
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>See Report No: TMS/SE/17/001</li> </ul>
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>See Report No: TMS/SE/17/001</li> </ul>
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>See Report No: TMS/SE/17/001</li> </ul>
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>See Report No: TMS/SE/17/001</li> </ul>
<i>Are there any <b>equality</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>See Report No: TMS/SE/17/001</li> </ul>
<b>Risk/opportunity assessment:</b> <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>			
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
See Report No: TMS/SE/17/001			
<b>Ward(s) affected:</b>	All Wards		
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>	See Report No: <a href="#">TMS/SE/17/001</a> to Treasury Management Sub-Committee and the Performance and Audit Scrutiny Committee: Annual Treasury Management and Investment Strategy Statements 2017/2018		
<b>Documents attached:</b>	None		

## **1. Key issues and reasons for recommendation**

### **1.1 Key Issues**

- 1.1.1 Following the Treasury Management Sub-Committee's consideration of Report No: TMS/SE/17/001, the Head of Resources and Performance verbally reported to the Performance and Audit Scrutiny Committee on the Sub-Committee's consideration of the report and recommendation.
- 1.1.2 It was reported that as at the end of December 2016, interest earned during the first nine months of the financial year amount to £327,926, an over-achievement of £119,814. The over-achievement of interest was predominantly due to higher cash balances being available for investment than expected. These increases were mainly due to timing differences in the collection and payment of Council Tax, NNDR and other revenue streams, and underspends relating to the budgeted capital programme. The reduced average rate of return was due to the reduction in the Bank of England base rate and resulting reduction of interest rates offered by institutions.
- 1.1.3 The Sub-Committee was informed that the Council held £55,450,000 in investments, and had no borrowings or temporary loans as at 31 December 2016.
- 1.1.4 The Treasury Management Sub-Committee had examined the report in detail. In particular, the Sub-Committee discussed the different daily interest rates offered by various institutions.
- 1.1.5 The Performance and Audit Scrutiny Committee considered the report and has put forward a recommendation as set out on page one of this report.