

Cabinet



Forest Heath
District Council

Title of Report:	Recommendation of the Performance and Audit Scrutiny Committee: 25 January 2017 Treasury Management Report 2016-2017 – Investment Activity (April to December 2016)	
Report No:	CAB/FH/17/005	
Report to and dates:	Cabinet	14 February 2017
	Council	22 February 2017
Portfolio holder:	Councillor Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk	
Chairman of the Committee:	Councillor Louis Busuttil Performance and Audit Scrutiny Committee Tel: 01638 810517 Email: louis.busuttil@forest-heath.gov.uk	
Lead Officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	On 25 January 2017, the Performance and Audit Scrutiny Committee considered Report No: PAS/FH/17/006 , which presented the Council's Treasury Management Report summarising the investment activity for the period 1 April to 31 December 2016.	
Recommendation:	It is <u>RECOMMENDED</u> that, subject to the approval of Council, the Treasury Management Report 2016-2017, attached at Appendix 1 to Report PAS/FH/17/006, 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"/>	

Consultation:		• See Report No: PAS/FH/17/006	
Alternative option(s):		• See Report No: PAS/FH/17/006	
Implications:			
Are there any financial implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/17/006	
Are there any staffing implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/17/006	
Are there any ICT implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/17/006	
Are there any legal and/or policy implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/17/006	
Are there any equality implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/17/006	
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/17/006			
Ward(s) affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		Performance and Audit Scrutiny Committee – 25 January 2017 Report No: PAS/FH/17/006 & Appendix 1	
Documents attached:		None	

1. Key issues and reasons for recommendation

1.1 Key Issues

- 1.1.1 The Committee received Report No: PAS/FH/17/006, which provided a summary of investment activities for the first nine months of 2016-2017. Full details of treasury management activities during the period were attached at Appendix 1 to the report. It was reported as at 31 December 2016, the Council held £19,755,000 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 Treasury Management 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 1 of this report.