

Extraordinary Council



Forest Heath
District Council

Title of Report:	Referrals Report of Recommendations from Cabinet	
Report No:	COU/FH/17/028	
Report to and date:	Extraordinary Council	18 October 2017
Documents attached:	None	

(A) Referral from Cabinet: 12 September 2017

1. Annual Treasury Management Report: 2016/2017

Portfolio Holder: Cllr Stephen Edwards

Report No:
[CAB/FH/17/042](#)

Performance and Audit
Scrutiny Committee: 27
July 2017

Report No:
[PAS/FH/17/023](#) and
[Attachment 1](#)

RECOMMENDED:

That the Annual Treasury Management Report 2016-2017, attached as Attachment 1 to Report No: PAS/FH/17/023, be approved.

- 1.1 The Council's Annual Treasury Management Report for 2016-2017 was attached as Attachment 1 to Report No: PAS/FH/17/023. The report included tables summarising the interest earned during 2016-2017 on the various treasury management investments held by the Council; investment activity during the year and investments held as at 31 March 2017.
- 1.2 The budgeted income from investments in 2016-2017 was £350,000 (average rate of return of 1.50%). Interest actually earned during the year totalled £250,747, an under achievement in interest of £99,253. The under achievement was primarily due to use of £14m of investment funds to purchase the Solar Farm at Toggam Farm. This, combined with the

continuing low rates of return offered by our counterparties, has resulted in this under achievement.

- 1.3 As at the end of June 2017, interest actually earned during the first quarter of the financial year amounted to £32,311 against a profiled budget for the period of £42,250; a budget deficit of £12,939. The budget deficit was due to the continuing low Bank of England base rate and subsequent low investment rates being offered by the banks, building societies and financial institutions and falling rates being offered on call accounts/notice accounts.