

Cabinet



Forest Heath
District Council

Title of Report:	Recommendations of the Performance and Audit Scrutiny Committee: 29 November 2017: Mid-Year Treasury Management Performance Report and Investment Activity (April – September 2017)	
Report No:	CAB/FH/17/060	
Report to and dates:	Cabinet	12 December 2017
	Council	20 December 2017
Portfolio Holder:	Councillor Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01799 530325 Email: stephen.edwards@forest-heath.gov.uk	
Chairman of the Committee:	Louis Busuttil Chairman of the 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 29 November 2017, the Performance and Audit Scrutiny Committee received Report No: PAS/FH/17/039 and Appendix 1 , which presented the Council's Mid-Year Treasury Management Report summarising the investment activity for the period 1 April to 30 September 2017.	
Recommendation:	It is <u>RECOMMENDED</u> that, subject to the approval of Council, the Mid-Year Treasury Management Report 2017-2018, attached at Appendix 1 to Report No: PAS/FH/17/039, 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:		• See Report No: PAS/FH/17/039	
Alternative option(s):		• See Report No: PAS/FH/17/039	
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		• See Report No: PAS/FH/17/039	
<i>Are there any staffing implications? If yes, please give details</i>		• See Report No: PAS/FH/17/039	
<i>Are there any ICT implications? If yes, please give details</i>		• See Report No: PAS/FH/17/039	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		• See Report No: PAS/FH/17/039	
<i>Are there any equality implications? If yes, please give details</i>		• See Report No: PAS/FH/17/039	
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/17/039			
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 2017/18. (Report COU/FH/17/003)	
Documents attached:		None	

1. Key issues and reasons for recommendation

1.1 Mid-Year Treasury Report 2017-2018 and Investment Activity (April to September 2017)

- 1.1.1 The Committee received Report No: PAS/FH/17/039, which provided a summary of investment activities for the first six months of 2017-2018. Full details of treasury management activities during the period were attached at Appendix 1 to the report. It was reported as at 30 September 2017, the Council held £20,005,000 of investments
- 1.1.2 The purchase of the Solar Farm last year, continued to have a knock on effect on the funds available for investment (as cash balances were used instead of external borrowing to fund the purchase), this in turn had reduced the interest earned this year.
- 1.1.3 Also, 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.
- 1.1.4 The Committee scrutinised the Mid-Year Treasury Report 2017-2018, 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 one of this report.