
Council



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Referrals Report of Recommendations from Cabinet	
Report No:	COU/SE/18/002	
Report to and date:	Council	20 February 2018
Documents attached:	Appendix 1: Cabinet Report No: CAB/SE/18/012 'Overarching West Suffolk Growth Investment Strategy, Governance and Delegation'	

(A) Referrals from Extraordinary Cabinet: 9 January 2018

There are no referrals emanating from the Cabinet meeting held on 9 January 2018.

(B) Referrals from Cabinet: 6 February 2018

1. Treasury Management Report 2017/2018 and Investment Activity (April to December 2017)

Portfolio Holder: *Cllr Ian Houlder*

Report No:
[**CAB/SE/18/008**](#)

**Treasury Management
Sub-Committee Report
No: [**TMS/SE/18/001**](#)
[**Appendix 1**](#)**

RECOMMENDED:

That the Treasury Management Report 2017-2018 for the period 1 April 2017 to 31 December 2017, attached at Appendix 1 to Report No: TMS/SE/18/001, be approved.

1.1 Following the Treasury Management Sub-Committee's and Performance and Audit Scrutiny Committee's consideration of Report No: TMS/SE/18/001, which includes a summary of the investment activities during the period 1 April to 31 December 2017 at Appendix 1, the Cabinet concurs with the Committees' examination of this report and has recommended approval of the third quarter treasury management report 2017/2018.

1.2 Below is a summary of those investment activities:

INTEREST EARNED AND AVERAGE RATE OF RETURN SUMMARY			
	Budget	Actual	Difference
Investment Interest Earned	£189,750	£226,427	+ £36,677
Average Rate of Return	0.55%	0.56%	+0.01%

- The over-achievement of interest earned was primarily due to higher cash balances being available for investment then expected. These increases in balances are 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.
- As at 31 December 2017 we held £44,750,000 of investments.

INVESTMENT ACTIVITY SUMMARY	
	2017/2018 £
Opening Balance 01 April 2017	46,350,000
Investments made during the year (including transfers to business reserve accounts)	90,600,000
Sub Total	136,950,000
Investments realised during the year (including withdrawals from business reserve accounts)	92,200,000
Closing Balance 31 December 2017	44,750,000

Summary of Funds held	
Fund	£
Earmarked Revenue Reserves *	20,948,821
Capital Receipts Reserves *	13,820,769
General Fund Reserve	3,035,695
Cash flow Balances (held on behalf of others)	6,944,715
Total Value of Investments	44,750,000

* these funds will be utilised through the Council's 5 year financial planning period

1.3 The Council had no borrowings or temporary loans as at 31 December 2017.

1.4 Members may view the full report and its appendix on the Council's website via the above links or may request a paper copy from Democratic Services.

2. Treasury Management Policy Statement and Investment Strategy 2018/2019 and Code of Practice

Portfolio Holder: Cllr Ian Houlder

Report No:
[CAB/SE/18/009](#)

**Treasury Management
Sub-Committee Report
No: [TMS/SE/18/002](#)
[Appendix 1](#)
[Appendix 2](#)**

RECOMMENDED: That

- (1) the Updated (December 2017) Treasury Management in the Public Services Code of Practice and Cross-Sectional Guidance Notes, be adopted;**
- (2) the Treasury Management Policy Statement and Investment Strategy 2018-2019, as set out in Appendix 1 to Report No: TMS/SE/18/002, be approved; and**
- (3) the Treasury Management Code of Practice 2018-2019, as set out in Appendix 2 to Report No: TMS/SE/18/002, be approved.**

- 2.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management requires that, prior to the start of the financial year that Council formally approves an Annual Treasury Management and Investment Strategy, setting out the Council's treasury management policy and strategy statements for the forthcoming year.
- 2.2 The proposed Treasury Management Policy Statement and Investment Strategy 2018-2019, was attached as Appendix 1 to Report No: TMS/SE/18/002.
- 2.3 In December 2017, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued an updated Treasury Management in the Public Services Code of Practice and Cross-Sectional Guidance Note, which has been incorporated into the new 2018-2019 Strategy.

The main changes to the Strategy are as follows:

- the four clauses to be formally adopted have been updated
- an additional section has been added for 'investments that are not part of treasury management activity'

The main changes to the Code of Practice are as follows:

- Introduction – updated to reference new CIPFA Treasury Management Code 2017
- Definitions – updated to include 'investments' definition

- Requirements for operation of the code – removed section as duplicated elsewhere in the Code of Practice or in Treasury Management Policy Statement and Investment Strategy
- Treasury Management Policy Statement – removed section as duplicated in Treasury Management Policy Statement and Investment Strategy
- Treasury management Practices
 - TMP 1 general statement – updated to reference due diligence
 - TMP 1 all the subsections have slightly updated wording
 - TMP 1 (5) Inflation Risk – has been renumbered previously TMP1 subsection (9)
 - Previous Market Risk Management TMP has been replaced with TMP 1 (9) Price Risk Management and has updated wording
 - TMP 4 – updated with sentence about use of derivatives and compliance with MiFID II
 - TMP 6 – addition paragraph regarding regular monitoring reports
- Section added for 'investments that are not part of treasury management activity' – links to the new requirement for a Capital Strategy

2.4 Members may view the full report and its appendix on the Council's website via the above links or may request a paper copy from Democratic Services.

3. Budget and Council Tax Setting: 2018/2019 and Medium Term Financial Strategy 2018-2022

Portfolio Holder: Cllr Ian Houlder

Report No:
[CAB/SE/18/011](#)
(Given number of
appendices attached
to this report, the
above link applies to
the full agenda pack)

3.1 The recommendations emanating from Cabinet's consideration of this report are contained within Report No: COU/SE/18/011, 'Budget and Council Tax Setting: 2018/2019 and Medium Term Financial Strategy 2018-2022', for consideration as Agenda Item 9 on this Council agenda.

Continued overleaf.....

4. Overarching West Suffolk Growth Investment Strategy, Governance and Delegation

Portfolio Holder: Cllr Alaric Pugh

Report No:
[CAB/SE/18/012](#)
[Attachment A](#)

RECOMMENDED: That

- (1) the Overarching West Suffolk Growth Investment Strategy, as attached at Appendix A to Report No: CAB/SE/18/012, be approved;**
- (2) subject to the safeguards set out within Report No: CAB/SE/18/012, as detailed in Table 1 at paragraph 6.4, decisions on expenditure made from the previously approved capital and revenue Growth Investment Fund, be agreed as follows:**
 - (a) in accordance with Section 1.3 (b) of the Cabinet Procedure Rules contained within Part 4 of the Constitution which allows the Leader to amend the delegations to individual Cabinet Members, the relevant Portfolio Holder and Leader, in consultation with the statutory officers, be authorised to make decisions of up to £0.5m expenditure;**
 - (b) Cabinet be authorised to make decisions of up to £2m expenditure; and**
 - (c) Council shall make decisions where the expenditure is anticipated to exceed £2m.**
- (3) The Monitoring Officer shall make the necessary amendments to the Cabinet's scheme of delegation in accordance with her existing delegation, and be authorised to make other amendments to the Constitution as a consequence of (2) above.**

- 4.1 For ease of reference, the full Cabinet report (Report No: CAB/SE/18/012) 'Overarching West Suffolk Growth Investment Strategy, Governance and Delegation', is attached as Appendix 1 to this referrals report.