

# Joint Executive (Cabinet) Committee



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Recommendations of the St Edmundsbury Performance and Audit Scrutiny Committee: 28 November 2018 – Mid-Year Treasury Management Report and Investment Activity (1 April – 30 September 2018)</b>	
<b>Report No:</b>	<b>CAB/JT/18/053</b>	
<b>Report to and dates:</b>	<b>Joint Executive (Cabinet) Committee</b>	11 December 2018
	<b>St Edmundsbury Council</b>	18 December 2018
<b>Portfolio holder:</b>	Councillor Ian Houlder SEBC Portfolio Holder for Resources and Performance <b>Tel:</b> 01284 810074 <b>Email:</b> <a href="mailto:ian.houlder@stedsbc.gov.uk">ian.houlder@stedsbc.gov.uk</a>	
<b>Chairman of the Committee:</b>	Councillor Sarah Broughton SEBC Chairman of the 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>	
<b>Lead officer:</b>	Gregory Stevenson Service Manager (Finance and Performance) <b>Tel:</b> 01284 757264 <b>Email:</b> <a href="mailto:Gregory.stevenson@westsuffolk.gov.uk">Gregory.stevenson@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	On 28 November 2018, the Performance and Audit Scrutiny Committee considered Report No: <a href="#">TMS/SE/18/004</a> , which was scrutinised by the Treasury Management Sub-Committee on 19 November 2018.	

	The report provides information on the Council's Mid-Year Treasury Management Report summarising the investment activities for the period to 30 September 2018.		
<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u> that, subject to the approval of St Edmundsbury Borough Council, the Mid-Year Treasury Management Report 2018-2019 and Investment Activity (1 April to 30 September 2018), being Report No: TMS/SE/18/004, 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>	• See Report No: TMS/SE/18/004		
<b>Alternative option(s):</b>	• See Report No: TMS/SE/18/004		
<b>Implications:</b>			
Are there any <b>financial</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/18/004	
Are there any <b>staffing</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/18/004	
Are there any <b>ICT</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/18/004	
Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/18/004	
Are there any <b>equality</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/18/004	
<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)
	Low/Medium/ High*		Low/Medium/ High*
See Report No: TMS/SE/18/004			
<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>		Annual Treasury Management and Investment Strategy – 2018/19 ( <a href="#">COU/SE/18/002</a> )  Annual Treasury Management and Investment Strategy Statements (report <a href="#">COU/SE/18/002</a> approved 20 February 2018)	
<b>Documents attached:</b>		None	

## **1. Key issues and reasons for recommendation(s)**

### **1.1 Mid-Year Monitoring Report 2018-2019 and Investment Activity (April to September 2018)**

- 1.1.1 Following the Treasury Management Sub-Committee's consideration of Report No: TMS/SE/18/0044 on 19 November 2018, the Chairman, Councillor Sarah Broughton verbally reported on the Sub-Committee's consideration of the report, which provided a summary of investment activities for the first six months of 2018-2019.
- 1.1.2 The total amount invested at 1 April 2018 was £36.35m and at 30 September 2018, £44.95m. The increase in balances over the period was due primarily to timing differences in respect of the collection of local taxes, the payment of precepts and changes in the profile of the Capital Programme.
- 1.1.3 The 2018/19 Annual Treasury Management and Investment Strategy Statements (Report COU/SE/18/002 approved 20 February 2018) sets out the Council's projections for the current financial year. The budget for investment income in 2018/19 is £308,000 which is based on a 0.70% target average rate of return on investments.
- 1.1.4 As at the end of September 2018, interest actually earned during the first six months of the financial year amounted to £155,169 (average rate of return of 0.688%) against a profiled budget for the period of £154,000 (average rate of return of 0.70%); a budgetary surplus of £1,169.
- 1.1.5 The report also included assumptions on borrowing for capital projects included within it. The borrowing was based around four specific projects as per their agreed business cases. The report included a summary of capital borrowing budget 2018-2019, and a summary of capital borrowing for quarter two – all of which was currently internally borrowed from the Councils overall cash balances. As at the end of quarter two, there had been no requirement to borrow externally, therefore there was no interest payable in quarter two.
- 1.1.6 The Treasury Management Sub-Committee on 19 November 2018, scrutinised the Investment Activity for 1 April to 30 September 2018, and asked questions to which comprehensive responses were provided.

### **1.2 Performance and Audit Scrutiny Committee**

- 1.2.1 The Performance and Audit Scrutiny Committee considered the report and has put forward a recommendation as set out on page two of this report.