

Treasury Management Sub-Committee



St Edmundsbury
BOROUGH COUNCIL

Minutes of a meeting of the **Treasury Management Sub-Committee** held on **Monday 19 November 2018** at **10.30 am** at the **Mayor's Parlour, West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present: **Councillors**

Chairman Sarah Broughton
Patricia Warby David Roach

By Invitation:

Ian Houlder, Cabinet Member for Resources and Performance

81. **Substitutes**

There were no substitutes declared.

82. **Apologies for Absence**

There were no apologies for absence received.

83. **Minutes**

The minutes of the meeting held on 16 July 2018, were confirmed as an accurate record and signed by the Chairman.

84. **Public Participation**

There were no questions/statements from members of the public.

85. **Mid-Year Treasury Management Report 2018-2019 and Investment Activity (1 April to 30 September 2018)**

The Sub-Committee received Report No: TMS/SE/18/004, which provided a summary of investment activities for the first six months of 2018-2019. 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 collection of local taxes; Council Tax and Non-Domestic Rates; payment of precepts i.e. to Suffolk County Council, Suffolk Police and central government; and changes in the profile of the Capital Programme. The 2018-2019 Annual Treasury Management and Investment Strategy Statements sets out the Council's projections for the current financial year.

The budget for investment income in 2018-2019 was £308,000 which was based on a 0.70% target average rate of return on investments. At the end of September 2018, interest earned during the second quarter amounted to £155,169 (average rate of return 0.688%) against a profiled budget of £154,000 (average rate of return 0.70%), creating a budgetary surplus of £1,169.

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:

- West Suffolk Operational Hub
- Suffolk Business Park Loan
- Investing in our Growth Fund; and
- Olding Road (DHL Depot)

The report included a summary of the capital borrowing budget for 2018-2019, and a summary of capital borrowing for quarter two – all of which was currently internally borrowed from the Councils overall cash balances. It was reported that at the end of quarter two, there had been no requirement to borrow externally, therefore there was no interest payable in quarter one.

Finally, with the uncertainty still surrounding the Brexit negotiations, the financial markets still remained volatile with low rates of return still being offered by the banks and building societies. The Treasury Team would continue to closely monitor the situation and provide updated information as it became available.

The Sub-Committee scrutinised the investment activity for 1 April to 30 September 2018, and asked questions to which officers duly responded. Members were pleased to see that to date, there had been no requirement to borrow externally, and noted that future reports would include a breakdown of the various projects in the "Investing in Our Growth Fund".

It was then proposed by Councillor David Roach, seconded by Councillor Patricia Warby and with the vote being unanimous, it was

RECOMMENDED:

That subject to the approval of the Joint Executive (Cabinet) Committee and Council the Mid-year Treasury Management Report 2018-2019 (Report No: TMS/SE/18/004), be approved.

86. Date of Next Meeting

The Sub-Committee **noted** that the next meeting of the Sub-Committee would be held on Monday 21 January 2019, commencing at 10.30am.

The Meeting concluded at 10.55 am

Signed by:

Chairman

