

Joint Executive (Cabinet) Committee



Forest Heath
District Council

Title of Report:	Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2019 – Treasury Management Report 2018-2019 and Investment Activity (1 April – 31 December 2018)	
Report No:	CAB/JT/19/010	
Report to and date:	Joint Executive (Cabinet) Committee	12 March 2019
	Council	20 March 2019
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:	Councillor Louis Busuttil Performance and Audit Scrutiny Committee Tel: 01638 810517 Email: louis.busuttil@forest-heath.gov.uk	
Lead officers:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: Rachael.mann@westsuffolk.gov.uk	
	Gregory Stevenson Service Manager (Finance and Performance) Tel: 01284 757264 Email: Gregory.stevenson@westsuffolk.gov.uk	

Purpose of report:	On 31 January 2019, the Performance and Audit Scrutiny Committee considered Report No: PAS/FH/19/008 , which summarised the investment activities for the period to 31 December 2018.		
Recommendation:	It is <u>RECOMMENDED</u> that, subject to the approval of Council, the Treasury Management Report for 2018-2019 for the period 1 April to 31 December 2018, as detailed in Report No: PAS/FH/19/008, 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"/>		
Consultation:	• See Report No: PAS/FH/19/008		
Alternative option(s):	• See Report No: PAS/FH/19/008		
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/19/008	
<i>Are there any staffing implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/19/008	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/19/008	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/19/008	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/19/008	
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/19/008			
Ward(s) 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 – 2018/19 Report No: COU/FH/18/003 (FHDC Council: 21 February 2018)	
Documents attached:		None	

1. Key issues and reasons for recommendation(s)

1.1 Treasury Management Report 2018-2019 and Investment Activity (April to December 2018)

- 1.1.1 The Committee received Report No: PAS/FH/19/008, which provided a summary of investment activities for the first nine months of 2018-2019.
- 1.1.2 The total amount invested at 1 April 2018 was £16.005m and at 31 December 2018 £19.800m. The increase in balances over this 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 sets out the Council's projections for the current financial year. The budget for investment income in 2018/19 was £224,000 which was based on a 0.75% target average rate of return on investments.
- 1.1.4 As at the end of December 2018 interest actually earned during the first nine months of the financial year amounted to £102,266 against a profiled budget for the period of £168,000; a budgetary deficit of £65,734. This was due to lower cash balances as a result of re-phasing of some income generated projects.
- 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 the capital borrowing budget for 2018-2019, and a summary of capital borrowing for quarter three. As at the end of quarter three, there had been no requirement to borrow externally over and above the £4.0m Barclays loan. Therefore the only interest payable for quarter three was the £85,032.33 relating to this loan.

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.