

# Joint Executive (Cabinet) Committee



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2019 – Treasury Management Report 2018-2019 and Investment Activity (1 April – 31 December 2018)</b>	
<b>Report No:</b>	<b>CAB/JT/19/011</b>	
<b>Report to and date:</b>	<b>Joint Executive (Cabinet) Committee</b>	12 March 2019
	<b>Council</b>	19 March 2019
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<b>Purpose of report:</b>	On 31 January 2019, the Performance and Audit Scrutiny Committee considered Report No: <a href="#">TMS/SE/19/001</a> , which summarised the investment activities for the period to 31 December 2018.		
<b>Recommendation:</b>	<b>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: TMS/SE/19/001, 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>	<ul style="list-style-type: none"> <li>• See Report No: TMS/SE/19/001</li> </ul>		
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>• See Report No: TMS/SE/19/001</li> </ul>		
<b>Implications:</b>			
<i>Are there any <b>financial</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/19/001	
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/19/001	
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/19/001	
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/19/001	
<i>Are there any <b>equality</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/19/001	
<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)
See Report No: TMS/SE/19/001			
<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 Treasury Management Report 2018-2019 and Investment Activity (April to December 2018)**

- 1.1.1 The Committee received Report No: TMS/SE/19/001, 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 £36.35m and at 31 December 2018 £44.30m. 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 £308,000 which was based on a 0.70% 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 £255,665 against a profiled budget for the period of £231,000; a budgetary surplus of £24,665.
- 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 – all of which was currently internally borrowed from the Councils overall cash balances. As at the end of quarter three, there had been no requirement to borrow externally, therefore there was no interest payable.
- 1.1.6 The Performance and Audit Scrutiny Committee considered the report and was pleased to hear that following a procurement exercise that new Treasury Advisors (Arlingclose Ltd) had been appointed to the West Suffolk Councils.
- 1.1.7 The Performance and Audit Scrutiny Committee has put forward recommendations as set out on page two of this report.