

Cabinet



Title of Report:	Recommendation of the Performance and Audit Scrutiny Committee - 25 July 2019: Treasury Management Report (June 2019)	
Report No:	CAB/WS/19/023	
Report to and date:	Cabinet	10 September 2019
	Council	19 September 2019
Portfolio holder:	Councillor Sarah Broughton Portfolio Holder for Resources and Performance Tel: 01284 787327 Email: sarah.broughton@westsuffolk.gov.uk	
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Lead Officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	On 25 July 2019, the Performance and Audit Scrutiny Committee considered Report No: FRS/WS/19/003 , which had been scrutinised by the Financial Resilience Sub-Committee on 15 July 2019. The report provided information on the investment activities for the West Suffolk Council for the period 1 April 2019 to 30 June 2019.	
Recommendation:	It is <u>RECOMMENDED</u> that, subject to the approval of Council, the Treasury Management Report (June 2019), being Report No: FRS/WS/19/003, be <u>approved</u>.	

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: FRS/WS/19/003	
Alternative option(s):		• See Report No: FRS/WS/19/003	
Implications:			
Are there any financial implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: FRS/WS/19/003	
Are there any staffing implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: FRS/WS/19/003	
Are there any ICT implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: FRS/WS/19/003	
Are there any legal and/or policy implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: FRS/WS/19/003	
Are there any equality implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: FRS/WS/19/003	
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: FRS/WS/19/003			
Wards affected:		All Wards	
Background papers:		None	
Documents attached:		None	

1. Key issues and reasons for recommendation

1.1 Key Issues

- 1.1.1 Following the Financial Resilience Sub-Committee's consideration of Report FRS/WS/19/003, the Chair reported on the Sub-Committee's consideration of the report and recommendation.

1.2 Investment Activity 1 April to 30 June 2019

- 1.2.1 Following the creation of West Suffolk Council, the total amount invested at 1 April 2019 was £47,750,000 and at 30 June 2019 £46,250,000. Various deposit accounts were closed in the lead up to the year end in order to wind up both Forest Heath District Council and St Edmundsbury Borough Council. These balances were held in the current account until the first trading day of West Suffolk Council when new deposit accounts could be opened.
- 1.2.2 The 2019-2020 Annual Treasury Management and Investment Strategy sets out the Council's projections for the current financial year. The budget for investment income in 2019-2020 was £142,141 which was based on a 0.90% target interest rate of return on investments.
- 1.2.3 As at the end of June 2019, interest actually earned during the first quarter of the financial year amounted to £96,725 against a profiled budget for the period of £35,535; a budgetary surplus of £61,190. The budgetary surplus related to higher than expected cash balances due to slippage in the Capital programmes for both Forest Heath District Council and St Edmundsbury Borough Council during 2018-2019 and also the favourable interest rates secured on the investments carried over from the previous councils.
- 1.2.4 The report included assumptions on borrowing for the capital projects included within it, alongside the current external borrowing in respect of the previous Newmarket Leisure Centre build. This new borrowing requirement was based around three specific projects as per their agreed business cases:
- West Suffolk Operational Hub, Bury St Edmunds
 - Mildenhall Hub
 - Investing in Our Growth Fund.
- 1.2.5 The report also included a summary of the capital borrowing budget for 2019-2020; a summary of capital borrowing for quarter one; borrowing and income – proportionality; borrowing and temporary loans as at 30 June 2019 and other market considerations.
- 1.2.6 The Sub-Committee had scrutinised the Investment Activity for 1 April to 30 June 2019 and asked questions of officers as necessary. In particular discussions were held on the Investing in Our Growth Fund and what it could be used for, and the tax implications on commercial investments.
- 1.2.7 The Performance and Audit Scrutiny Committee considered the report and has put forward a recommendation as set out on page one of this report.