

Recommendation of the Performance and Audit Scrutiny Committee: 23 November 2023: Treasury Management Report (September 2023)

Report number:	CAB/WS/23/055	
Report to and dates	Cabinet	5 December 2023
	Council	19 December 2023
Cabinet member:	Councillor Diane Hind Portfolio Holder for Resources Email: diane.hind@westsuffolk.gov.uk	
Chair of the Performance and Audit Scrutiny Committee	Councillor Peter Armitage Performance and Audit Scrutiny Committee Email: peter.armitage@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Director (Resources and Property) Telephone: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	

Decisions Plan: This item is included in the Decisions Plan.

Wards impacted: All wards.

Recommendation: That subject to the approval of Council, the Treasury Management Report (September 2023), as contained in Report number: [FRS/WS/23/005](#), be approved.

1. Context to this report

1.1 Investment Activity: 1 April 2023 to 30 September 2023

Following the Financial Resilience Sub-Committee's consideration of report number [FRS/WS/23/005](#) on 13 November 2023 the Committee received a verbal report on the Sub-Committee's consideration of the report.

1.2 The Council held £54,500.000 of investments as of 30 September 2023. Interest receivable in the first half of the financial year amounted to £1,271,924.94 against a budget for the period of £357,500. This has created a budgetary surplus of £914,424.94 due to two main reasons;

- the Council holding higher levels of cash balances than anticipated; and
- the rising Bank of England base rate having a knock-on effect on investment returns.

1.3 External borrowing as of 30 September 2023 was £9,625,000 a reduction of £125,000 from 1 April 2023 which relates to the repayment plan for the recent PWLB £10 million 40-year loan), with the Council's level of internal borrowing increasing slightly to £48,028,084 as of 30 September 2023. The overall borrowing total of both external and internal is expected to increase over the full financial year.

1.4 The Sub-Committee scrutinised the investment activity for 1 April 2023 to 30 September 2023, at its meeting on 13 November 2023 and asked questions to which responses were provided.

1.5 The Performance and Audit Scrutiny Committee on 23 November 2023 scrutinised the report. Detailed discussions were held on Arlingclose, the Council's external treasury advisors. The Committee questioned the advice they provided to the Council; specifically, around what the cost of Arlingclose was to the Council; the length of the contract and whether a procurement exercise is carried out to appoint external advisors. In response the Cabinet Member for Resources would provide a written response on the length of the contract and the cost to the Council.

1.6 The Performance and Audit Scrutiny Committee has put forward recommendations as set out on page one of this report.

2. Alternative options that have been considered

2.1 Not applicable.

3. Consultation and engagement undertaken

3.1 Not applicable.

4. Risks associated with the proposals

4.1 Not applicable.

5. Implications arising from the proposals

5.1 Financial: See report number: [FRS/WS/23/005](#)

6. Appendices referenced in this report

6.1 None

7. Background documents associated with this report

7.1 Report number: [FRS/WS/23/005](#)