

Financial Resilience Sub-Committee

Minutes of a meeting of the **Financial Resilience Sub-Committee** held on **Monday 13 November 2023** at **10.30 am** facilitated by **Microsoft Teams**.

Present

Councillors

Chair Ian Houlder

Sue Perry

Frank Stennett

In attendance

Diane Hind

(Portfolio Holder for Resources)

83. Substitutes

No substitutions were declared.

84. Apologies for absence

No apologies for absence were received.

85. Minutes

The minutes of the meeting held on 17 July 2023 were confirmed as a correct record by the Chair.

86. Declarations of interest

Members' declarations of interest are recorded under the item to which the declaration relates.

87. Treasury Management Report (September 2023)

The Sub-Committee received Report number FRS/WS/23/005, which provided a comprehensive assessment on investment activities for West Suffolk Council from 1 April to 30 September 2023.

The Council held investments of £54,500,000 as at 30 September 2023. Interest achieved in the first half of the financial year amounted to £1,271,924.94 against a budget for the period of £357,500.

External borrowing as at 30 September 2023 was £9,625,000, a reduction of £125,000 from 1 April 2023 (this related 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 at 30 September 2023. Overall

borrowing (total of both external and internal) was expected to increase over the full financial year.

Borrowing costs (Interest Payable and MRP) for the year were currently forecast to be £1,089,595 against an approved budget of £2,268,900, although this could change if more external borrowing was undertaken than was currently forecast.

The 2023 to 2024 Annual Treasury Management and Investment Strategy Statements (report COU/WS/23/002 approved 21 February 2023) set out the Council's projections for the current financial year. The annual budget for investment income for 2023 to 2024 is £715,000 which was based on a 3.25 per cent target average rate of return on investments.

The report also included a summary of borrowing activity during the period; borrowing strategy and sources of borrowing; borrowing and capital costs – affordability; liability benchmark; borrowing and income – proportionality; borrowing and asset yields and market information. Attached at Appendix 1 to the report was the Treasury Management Prudential Indicators and at Appendix 2 was the Arlingclose Economic and Interest Rate Forecast as at September 2023.

The Sub-Committee scrutinised the report in detail. Members referred to Section 3 of the report (Interest Earned from Treasury Investments during the period) and the table within paragraph 3.3, which summarised the interest earned and the average rate of return achieved at 30 September 2023. Following on from a query raised with regards to the figures presented within this table (in relation to CCLA MMF), Officers stated that they would review the information presented and revise where necessary.

Members also referred to Section 9 of the report (Borrowing and Asset Yields) and the table within paragraph 9.3, which showed the income and net return from the current project portfolio. Again, following on from a query raised with regards to the figures presented within this table (in relation to the Solar Farm), Officers stated that they would review the information presented and revise where necessary.

RECOMMENDED:

That subject to the approval of Cabinet and Council, the Treasury Management Report (September 2023), being Report number FRS/WS/23/004, be approved, subject to any required revisions being made to the tables within paragraphs 3.3 and 9.3 (as outlined above).

(Councillor Diane Hind left the meeting at 11.45am, during the discussion on this item)

88. Dates of future meetings

The Sub-Committee noted the date(s) for future meetings, as listed below. All date(s) were Mondays starting at 10.30am, as indicated:

- 15 January 2024 (MS Teams Virtual Meeting Platform)

The meeting concluded at 11.52 am

Signed by:

Chair
