

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Recommendation of the Performance and Audit Scrutiny Committee: 29 January 2015 Update on Procurement Exercise for External Fund Manager to Support Treasury Management Activities	
Report No:	CAB/SE/15/004	
Report to and date:	Cabinet	10 February 2015
Portfolio holder:	David Ray Portfolio Holder for Resources and Performance Tel: 01359 250912 Email: david.ray@stedsbc.gov.uk	
Chairman of the Committee:	Sarah Broughton Performance and Audit Scrutiny Committee Tel: 01284 787327 Email: sarah.broughton@stedsbc.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	On 29 January 2015, the Performance and Audit Scrutiny Committee considered Report No: TMS/SE/15/003 , which had been scrutinised by the Treasury Management Sub-Committee on 19 January 2015. The report provided information on options around the timing for the procurement exercise for external fund managers to support the Council's treasury management activities.	
Recommendation:	It is <u>RECOMMENDED</u> that, Option B, as detailed in paragraph 1.2.1 of Report TMS/SE/15/003, 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: TMS/SE/15/003	
Alternative option(s):		• See Report No: TMS/SE/15/003	
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/15/003	
<i>Are there any staffing implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/15/003	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/15/003	
<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: TMS/SE/15/003	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: TMS/SE/15/003	
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: TMS/SE/15/002			
Ward(s) affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		See Report No: TMS/SE/15/003 to Treasury Management Sub-Committee and the Performance and Audit Scrutiny Committee: Update on procurement exercise for external fund manager to support treasury management activities: 19 and 29 January 2015	
Documents attached:		None	

1. Key issues and reasons for recommendation

1.1 Key Issues

- 1.1.1 Following the Treasury Management Sub-Committee's consideration of Report TMS/SE/15/003, the Head of Resources and Performance verbally reported to the Performance and Audit Scrutiny Committee on the Sub-Committee's consideration of the report and recommendation.
- 1.1.2 On 18 November 2013, as part of Report E163, the Sub-Committee had agreed to the option to use both Treasury Management Advisors and External Fund Managers. This was subsequently recommended to and approved by Cabinet, as external support for its Treasury Management Investment Activities. As a result, the current Treasury Management Strategy sets out the potential use of fund managers and treasury management advisors.
- 1.1.3 Report TMS/SE/15/003 provides options around the timing for the procurement exercise for external fund managers to support the Council's treasury management activities.
- 1.1.4 The current contract with Sector for Treasury Management advice was extendable until March 2017, and could be terminated on 31 March 2015.
- 1.1.5 The report summarises two potential options on the timing for a procurement exercise for appointment and use of an external fund manager:
 - Option A: A procurement exercise commences during the last quarter of 2014/15, following the approval of the Council's spending plans as part of the 2015/16 budget and council tax setting reports at the end of February 2015.
 - Option B: A procurement exercise commences during the summer of 2015, allowing for further opportunity to consider the business cases for some potentially significant investment opportunities such as Public Sector Village II, Waste Transfer Site and Investing in Housing within the Borough and the Council's overall spending plans.
- 1.1.5 The Treasury Management Sub-Committee had examined the options in detail and asked questions to which officers duly responded.
- 1.1.6 The Performance and Audit Scrutiny Committee considered the report and has put forward a recommendation, as set out on page one of this report.