

Cabinet



Forest Heath
District Council

Title of Report:	Recommendation of the Performance and Audit Scrutiny Committee - 30 July 2015: Annual Treasury Management Report 2014-2015	
Report No:	CAB/FH/15/045	
Report to and dates:	Cabinet	15 September 2015
	Council	14 October 2015
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: Stephen.edwards@forest-heath.gov.uk	
Chairman of the Committee:	Colin Noble Chairman of the Performance and Audit Scrutiny Committee Tel: 07545 423795 Email: colin.noble@forest-heath.gov.uk	
Lead Officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	On 30 July 2015, the Performance and Audit Scrutiny Committee considered Report No: PAS/FH/15/021 , which provided information on the Council's Annual Treasury Management Report summarising the investments activities for the year 2014-2015.	
Recommendation:	It is <u>RECOMMENDED</u> that, subject to the approval of full Council, the Annual Treasury Management Report 2014-2015, attached as Attachment 1 to Report No: PAS/FH/15/021, 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:	<ul style="list-style-type: none"> • See Report No: PAS/FH/15/021 	
Alternative option(s):	<ul style="list-style-type: none"> • See Report No: PAS/FH/15/021 	

Implications:			
Are there any financial implications? If yes, please give details		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/15/021	
Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/15/021	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/15/021	
Are there any legal and/or policy implications? If yes, please give details		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/15/021	
Are there any equality implications? If yes, please give details		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/15/021	
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)
	Low/Medium/ High*		Low/Medium/ High*
See Report No: PAS/FH/15/021			
Ward(s) affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		CIPFA's revised Code of Practice for Treasury Management, (the Code), published in 2011. See Report No: PAS/FH/15/021	
Documents attached:		None	

1. Key issues and reasons for recommendation

1.1 Annual Treasury Management Report 2014-2015

- 1.1.1 The Council's Annual Treasury Management Report for 2014-2015 attached as Attachment 1 to Report No: PAS/FH/15/021 included tables summarising the interest earned during 2014-2015 on the various treasury management investments held by the Council; investment activity during the year; investments held as at 31 March 2015; market activities; borrowings; temporary loans and the average rate of return.
- 1.1.2 The budgeted income from investments in 2014-2015 was £372,418, interest actually earned during the year totalled £472,511, an overachievement of £100,093. The overachievement was mainly due to increased cash flow/money available for investment as a result of the timing of large value transactions such as National Non-Domestic Rates (NNDR) receipts and payments and capital programme.
- 1.1.3 Although interest earned during the year was over budget, the continuing low base rate and subsequent low rates of return available in the marketplace have had an impact on the level of income from investments during 2014-2015 compared to various years.
- 1.1.4 The Performance and Audit Scrutiny Committee considered the report and asked questions to which responses were provided.
- 1.1.5 The Performance and Audit Scrutiny Committee has put forward a recommendation as set out on page one of this report.