

## MINUTES OF THE TREASURY MANAGEMENT AND INVESTMENT SUB COMMITTEE

held on 19 June 2023

Present:

Councillor C. Davidson (Chair)

Councillors K. Franks, S. Hall, S. Sullivan and R. Whitehead

### 1. Apologies for Absence and Substitutions

No apologies were received for this meeting.

### 2. Minutes

The minutes of the meeting held on 15 December 2023 were agreed as a correct record and signed by the Chair.

### 3. Declaration of Interests

All Members were reminded to declare any Disclosable Pecuniary interests or other registerable interests where appropriate in any items of business on the meeting's agenda. None were made.

### 4. Public Question Time

No public questions nor statements were received for this meeting.

### 5. Update on Banking Reforms

The Sub-Committee received a report providing an update on potential upcoming changes in the banking system following a review of the ring-fencing regime by an independent panel. It was noted that the Financial Services (Banking Reform) Act 2013 was enacted following the 2008-09 global financial crisis and it was intended to put resilience in the banking sector. The Act introduced key regulations including ring-fencing to separate retail banking from the riskier non-retail banking activities. The Act came into effect in 2019 which included a review of the regime after three years in operation. The appointed independent panel published a report in March 2022. The main findings were that whilst the ring-fencing regime would be worth retaining, recommendations were made to make the regime more flexible whilst still maintaining stability.

*(Cllr Franks entered 6.06pm)*

The Sub-Committee was informed that the Council consulted its external treasury advisor regarding the proposed Government reforms following the review. It was noted that the reforms would not deregulate the sector but to address any unintended consequences and provide more flexibility to the sector. It was concluded that the reforms were not expected to bring any significant risks for the Council and that there would be no changes to the treasury strategy because of these reforms.

RESOLVED that the report to be noted.

*(6.03pm to 6.15pm)*

## 6. Treasury Management Outturn Report 2022/23

The Sub-Committee received a report on the Treasury Management activities that took place in 2022/23. This highlighted the effects of decisions taken and the circumstances of any non-compliance with the Code and the Treasury Management Strategy.

The Sub-Committee was noted that the treasury management outturn was heavily influenced by the current economic environment. It was also noted that the Council's interest earnings from investments for the year were £1.87 million which was £1.17 million higher than the budget, and the overall return on investments for 2022/23 was 4.1% compared to 0.75% in the previous year. The Council retained some long term investments that were to be evaluated over the medium term .

The Sub-Committee was informed that there were no external loans made in 2022/23, but Council have outstanding finance lease liabilities that were used to acquire vehicles and equipment to deliver services that are deemed as borrowing by the Government. The Sub-Committee was also informed that training would be available to new members, and it was recommended for the external treasury advisors to provide this.

In response to questions and comments from the Sub-Committee about potentially investing in long term investments, it was advised that;

- The capital programme would be reviewed to see what cash would be available to the Council. It was noted that Council was not in a position to make long-term plans.
- This was in part due to no regular precept receipts in February and March which makes it difficult to lend over this period.
- Money Market funds rose rapidly during 2022/23 due to the interest rate and is expected to go up less in 2023/24.
- It was noted that the inflation was higher than expected and there was a level of uncertainty on the future movement of interest rates.

RESOLVED that the Treasury Management Outturn Report 2022/23 to be recommended to Cabinet, then to Full Council.

*(6.15pm to 6.26pm)*

### Exclusion of the Public

Resolved that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for Item 6 on the grounds that it involved the likely disclosure of exempt information falling within paragraph 3 of Part 1 of Schedule 12A to the Act.

### 7. Non-Treasury Investments-Monitoring and Strategy Development

The Sub-Committee received a report providing them with an update in respect of the Council's non-cash investments, it also provided them with the agreed monitoring information on non-cash investments with a commentary on each asset. The Sub-Committee were also provided information on the acquisition of residential and commercial developments.

RESOLVED that the report be noted.

*(6.26pm to 7.00pm)*

### 8. Urgent Business

There were no matters of urgent business to discuss.

The meeting closed at 7.00pm.

Chair