

MINUTES OF THE TREASURY MANAGEMENT AND INVESTMENT SUB COMMITTEE

held on 20 June 2022

Present:

Councillor C.K. Davidson (Chair)

Councillors M.W. Bracken, A.B. Sosin and R.T Whitehead

1. Apologies for Absence and Substitutions

Apologies for absence were received from Cllrs Clark, Knight and Sismey. No substitutions were made.

2. Minutes

The minutes of the meeting held on 13 December 2021 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 questions were asked or statements made.

5. Treasury Management Outturn Report 2021/22

The Sub-Committee considered a draft report to the Cabinet on 12 July 2022, regarding the Treasury Management Outturn for 2021/22. It was noted that under statute and the CIPFA code on Treasury Management, members were required to receive a report on the Treasury Management activities that took place on 2021/22.

The report contained a review of the overall Treasury Management functions including rates of return on investments in 2021/22. It was noted by the Sub-Committee that during the year, there had been no breaches of the Treasury Management Strategy and that the economic environment had been marked by rising inflation and interest rates, due to the War in Ukraine, rising energy costs and supply shortages. The Sub-Committee were informed that the Council's investment holdings at year end were £76m compared to £47m in the previous year. It was noted that the average and closing balances were higher due to various balances being held before being paid over to individuals or government departments along with slippage in capital spend. The Sub-Committee heard that interest earnings were

£0.62m, higher than the budgeted £0.33m, predominantly due to investment in diversified income funds along with at the end of the year a rising interest rate environment. The Sub-Committee also heard that the overall return on investments was 0.75% compared to 0.62% in the previous year. It was also noted that the four pooled funds at the end of 2021/22 generated total income returns of £561k at an average annualised return of 3.74%.

The Sub-Committee were also informed that the CCLA property fund had increased further by £1.13m, leading to an unrealised gain of £2.57m. Members of the Sub-Committee noted that this fund would need a higher limit to be applied to it in the upcoming strategy and officers would consider this as part of the updated strategy. In response to a question from members it was noted that the Council's external treasury advisors had carried out an investigation into whether any counterparties held investments in Russia. There had been comprehensive research by the external advisors and officers had not been informed of any issues.

RESOLVED that the Treasury Management Outturn Report for 2021/22 before the Sub-Committee be endorsed and recommended to Cabinet for approval.

(6.01pm to 6.20pm)

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.

6. 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.

RESOLVED that the report be noted.

(6.21pm to 6.50pm)

7. Urgent Business

There were no matters of urgent business to discuss.

The meeting closed at 6.50pm.

Chair