Treasury Management and Investment Sub-Committee Agenda

20 June 2022 at 6pm

Crompton Room, Civic Centre, Duke Street, Chelmsford, CM1 1JE

Membership

Councillor C.K. Davidson (Chair)

and Councillors

M.W. Bracken, D.J.R. Clark, G.B.R. Knight, M. Sismey, A.B. Sosin and R.T. Whitehead

Local people are welcome to attend this remote meeting, where your elected Councillors take decisions affecting YOU and your City. There will also be an opportunity to ask your Councillors questions or make a statement. These have to be submitted in advance to committees@chelmsford.gov.uk. Further details are on the agenda page. If you would like to find out more, please email daniel.bird@chelmsford.gov.uk or telephone on 01245 606523

Treasury Management and Investment Sub Committee

20 June 2022

AGENDA

1. Apologies for Absence and substitutions

2. Minutes

To consider the minutes of the meeting held on 13 December 2021

3. Declaration of Interests

All Members are reminded that they must disclose any interests they know they have in items of business on the meeting's agenda and that they must do so at this point on the agenda or as soon as they become aware of the interest. If the interest is a Disclosable Pecuniary Interest they are also obliged to notify the Monitoring Officer within 28 days of the meeting.

4. Public Question Time

Any member of the public may ask a question or make a statement at this point in the meeting. Each person has two minutes and a maximum of 20 minutes is allotted to public questions/statements, which must be about matters for which the Committee is responsible.

The Chair may disallow a question if it is offensive, substantially the same as another question or requires disclosure of exempt or confidential information. If the question cannot be answered at the meeting a written response will be provided after the meeting.

Any member of the public who wishes to submit a question or statement to this meeting should email it to committees@chelmsford.gov.uk 24 hours before the start time of the meeting. All valid questions and statements will be published with the agenda on the website at least six hours before the start time and will be responded to at the meeting. Those who have submitted a valid question or statement will be entitled to put it in person at the meeting.

5. Treasury Management Outturn Report 2021/22

Part II (Exempt Items)

To consider whether the public (including the press) should be excluded from the meeting during consideration of the following agenda items on the grounds that they involve the likely disclosure of exempt information specified in the appropriate paragraph or paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972 indicated in the Agenda item

6. Property Update (verbal or to follow)

Category: Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Public interest statement: It is not in the public interest to release details of this report at present, on the grounds that the report contains information that is commercially sensitive and to place the information in the public realm will be detrimental to the negotiations to be undertaken by the Council.

7. Urgent Business

To consider any other matter which, in the opinion of the Chair, should be considered by reason of special circumstances (to be specified) as a matter of urgency.

MINUTES OF THE

TREASURY MANAGEMENT AND INVESTMENT SUB COMMITTEE

held on 13 December 2021 at 6pm

Present:

Councillor C.K. Davidson (Chair)

Councillors M.W. Bracken, D.J.R. Clark, J. Galley, G.B.R. Knight, A.B. Sosin and R.T Whitehead

1. Apologies for Absence and Substitutions

No apologies for absence were received.

2. Minutes

The minutes of the meeting held on 18 October 2021 were agreed as a correct record and signed by the Chair. Some minor typographical changes were also agreed.

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. Update on Regulation Changes

The Sub-Committee received an update on changes being made to the PWLB and CIPFA regulations governing Local Authority investment and borrowing. It was noted that many changes had been made over the last few years, mainly aimed at preventing Councils from buying property assets for the primary purpose of income generation. The Sub-Committee heard that some authorities had continued to do this, hence the more robust measures detailed in the report. It was noted that to allow only appropriate use of PWLB borrowing facilities in future new rules have been put in place. It was noted that the PWLB changes required the S151 officer to annually identify assets being purchased for investment purchases and for them to ensure that rules are followed. The rules also required that projects undertaken which generate surplus income can only be funded by PWLB borrowing if that surplus is directed to funding similar projects and not general expenditure. The Sub-Committee heard that these changes didn't have a high impact on the Council. The tightening of the rules was believed to be aimed at a number of Councils who have not behaved prudently in the past and it is expected that PWLB will adopt a practical view.

The Sub-Committee heard that the CIPFA changes were slightly more difficult for the Council, but were still in draft form. It was noted that the guidance appeared to indicate, that any income generating assets should be sold before undertaking any new borrowing. The Sub-Committee heard that this was not a logical approach and would not result in good investment management. It was noted that the approach would not take any value for money aspects into consideration or long-term planning and would not be the most effective form of financial management. It was noted that the proposals had been heavily criticised nationally and a final code was due to be published in late December 2021. The Sub-Committee heard that a report to Council may be required in 2022, updating on any changes, although they would not need to be implemented until 2023/24.

In response to questions from the Sub-Committee it was noted that;

- The Section 151 officer is statutorily bound to follow any rules and regulations and that there was the double lock, of the administration's determination to act appropriately, alongside the officer requirement to highlight wrongdoing.
- The PWLB have stated that projects primarily undertaken for yield commenced before November 2020 are not covered by the new rules.
- It was unclear how PWLB would be able to keep track of what historic borrowing was linked to what schemes, so ongoing regulation would be difficult.
- The Council responded critically to the CIPFA proposals stating that elements were not the correct form of financial management and more local discretion was required for prudent financial management.
- The guidance from the PWLB highlighted 11 examples of borrowing to demonstrate what was and was not permissible. It was also noted that their main concern was whether the main objective of a purchase was to create a surplus to fund general services.
- There appeared to be an effort from both the Government and CIPFA to prevent borrowing for income generation. There had been large pushback from Councils against the proposals as in their current form they created adverse unintended consequences.
- The final CIPFA proposals had not yet been confirmed, but it was hoped some moderation would occur due to the general views of local authorities.

RESOLVED that the report be noted.

(6.02pm to 6.16pm)

6. Treasury Management & Investment Strategies 2022/23

The Sub-Committee considered a draft report to the Cabinet on 25th January 2022 regarding the proposed Treasury Management and Investment Strategies for 2022/23. Members were asked to review the draft report and recommend the 2022/23 strategies to Cabinet on 25th January 2022 and then Full Council on 23rd February 2022.

The Sub-Committee were provided with an overview of the documents and informed that they would essentially govern how the Council could invest its financial resources.

It was noted that the strategies did not currently reflect the draft CIPFA proposals and would be revisited if required. The Sub-Committee also heard that the Treasury Management strategy had not changed much from the previous year. It was noted that the length of long-term investments was changing to 365 days rather than 364 to open up more investment options. It was also noted that clarification was provided in the strategy for how some decisions differ from the advice from the Council's Treasury advisors. The Sub-Committee heard that it was the role of officers to assess the advice provided and in some instances, different decisions had been and would continue to be made. It was also noted that the forecast until 2026 highlighted no need for the Council to undertake any long-term borrowing.

The Sub-Committee noted that the Investment Strategy, as highlighted in various tables, identified how the Council invests in properties and other assets. It was also noted that the Capital Strategy would be reported separately to Cabinet.

In response to a question from the Sub-Committee, it was noted that the Council were slightly more lenient than the Treasury advisors on non-UK based investments. However, it was more cautious for example, on investing within building societies than the advisors who retain the option to use non-credit rating data to increase the number of eligible building societies to hold deposits..

The Sub-Committee were happy with the proposed strategies and agreed that they should be recommended to the Cabinet.

> RESOLVED that the Treasury Management and Investment Strategies be recommended to the Cabinet.

(6.17pm to 6.27pm)

7. Urgent Business

There were no matters of urgent business to discuss.

The meeting closed at 6.28pm.

Chair

Treasury Management and Investment Sub-Committee

20th June 2022

Treasury Management Outturn Report 2021/22

Report by:
ACCOUNTANCY SERVICES MANAGER (Section 151 officer)

Officer Contact:
Phil Reeves, Accountancy Services Manager, phil.reeves@chelmsford.gov.uk, 01245 606562

Purpose
Under statute and the CIPFA Code of Practice on Treasury Management ("the Code"), Members are required to receive a report on the Treasury Management activities that took place in 2021/22.

Recommendations
Recommend the Treasury Management Outturn Report 2021/22 to Cabinet or amend as appropriate.

1. Introduction

1.1. The CIPFA Code of Practice for Treasury Management sets out the requirements for oversight by the Council of its treasury management operations. As part of the Code, the Council is required to receive an annual report on the performance of the treasury management function which highlights the effects of decisions taken and the circumstances of any non-compliance with the Code and the Council's Treasury Management Strategy.

2. Background

2.1. The Council can expect to have cash to invest arising from its revenue and capital balances, and collection of Council Tax. This cash can be usefully invested to produce a return to help support services and Council Tax. The activities around the management of this cash are known as 'Treasury Management'.

2.2. Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks"

2.3. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the DLUHC Guidance.

2.4. CIPFA published its revised Prudential Code for Capital Finance and Treasury Management Code on 20th December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments.

2.5. The principles of the Prudential Code took immediate effect although local authorities could defer introducing the revised reporting requirements until the 2023/24 financial year if they wish. Due to the late notice of the changes in December 2021 and therefore the shorter time to interpret and implement the new code, the City Council has chosen to defer the reporting requirements until 2023/24. So this report and the 2022/23 Strategy were compiled on the previous Code's basis.

2.6. The Council's investment priorities as required by Government regulations are in order of priority:

(a) The security of Capital
(b) The liquidity of its investments; and
When these are satisfied
(c) Yield

DLUHC and CIPFA both advise that absolute certainty of security of capital and liquidity does not have to be achieved before seeking yield from investments. An appropriate balance of all three should be sought and that balance is determined by the Council in its Treasury Strategy.

2.7. The operation of Treasury Management is not without risk and the Council could suffer losses if one of its counterparties had financial difficulties.

2.8. The Council formally reviews its investment holdings in the following ways:

- Treasury Management Strategy report in February
- Treasury Outturn report in July
- A half-year update in November
- Treasury Management sub-committee to monitor Treasury Activity during the financial year.

The review of the year's activities is set out in the following appendices:

Appendix A – Economic Environment Update

Appendix B – Borrowing and Actual Investment Activity compared to the Approved 2021/22 Strategy

3. Summary of Review

3.1. During the financial year, there were no breaches of the Treasury Management Strategy.

3.2. The economic environment for the financial year was marked by rising inflation and interest rates near the end of the year, due to the War in Ukraine, rising energy costs and supply shortages.

3.3. The Council's investment holdings on the 31st March 2022 were £76m compared to £47m on 31st March 2021. The average and closing balance for the year were higher than allowed for in the budget due to various balances being held to be paid over to individuals or government departments and slippage in capital spend.

3.4. Interest earnings from investments for the year were £0.62m, which was £0.33m higher than the budget, predominantly due to investment in 3 diversified income funds and the rising interest rate environment experienced at the end of the financial year.

3.5. The overall return on investments for 2021/22 was 0.75% compared to 0.62% in the previous year.

3.6. The Council was invested in 4 pooled funds at the end of 2021/22 which generated total income returns of £561k at an average annualised return of 3.74%.

4. Conclusion

4.1. It should be noted that the Council's Treasury Management has operated within approved parameters, has resulted in no realised losses and delivered income of £0.62m which has helped to support Council services.

List of appendices:

Appendix A – Economic Environment Update

Appendix B – Borrowing and Actual Investment Activity compared to the Approved 2021/22 Strategy

Background papers:

None

Corporate Implications

Legal/Constitutional: None

Financial: As detailed in report.

Potential impact on climate change and the environment: Any fund managers will be required to consider ESG (Environmental, Social and Governance) factors in their investment process. All the fund managers would be expected to have signed up to the UN Principles for Responsible Investment (PRI). PRI argues that active participation in ESG and exercising shareholder rights on this basis can help to improve the performance of companies which may otherwise not address such concerns and so being an engaged corporate stakeholder is a more effective way to bring about change in corporate behaviour on ethical issues.

Further requirements from those identified above are not practical given the limited ability to directly influence any immediate change in the financial markets.

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: All treasury management activity requires a careful consideration of risk and reward.

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees: None

Relevant Policies and Strategies:

Treasury Management Strategy 2021/22

Appendix A – Economic Environment Update

Introduction

The amount of interest the Council earns on its balances is a function of the mix of fixed and variable rate investments made by the authority, together with the performance of the shares it holds in pooled investment funds such as the CCLA, Multi Asset Funds and Money Market Funds.

Therefore, the interplay of various economic factors including interest rate expectations, property prices and economic growth all affect the performance of the Council's investments.

Economic factors

The continuing recovery from the coronavirus pandemic, together with the war in Ukraine, higher inflation, and higher interest rates were major issues over the period.

The UK Bank of England base rate was 0.10% at the beginning of the financial year. April and May 2021 saw the economy gathering momentum as restrictions due to the pandemic were eased. Despite the improving outlook, market expectations were that the Bank of England would delay rate rises until 2022, but the significant rising and persistent inflation changed that.

UK CPI was 0.7% in March 2021 but increased steadily throughout the year to a figure of 7.0% in March 2022. This was driven largely by rising energy prices and supply shortages.

The Bank of England therefore increased the base rate to try to bring inflation back in line with it's 2.0% target from 0.10% to 0.25% in December, with further hikes in February to 0.50% and 0.75% in March. A further increase has occurred since the end of the financial year, with further increases still likely.

The Council benefitted from some of these increases through some of its fixed investments made near the end of the financial year, as higher rates were locked into. The Council's notice accounts are also directly linked to the Bank of England base rate and so received immediate rises in line with the increases above in December, February and March.

The valuation of the Council's investment in the CCLA Property Fund increased by £1.13m in the year, leaving the Council's unrealised gain at £2.57m on its initial investment. This increase was partly seen through increases in valuations over the commercial property market as a whole, but also a number of specific items within the CCLA portfolio of properties. For example, a lease on one of the retail warehouse assets owned by the CCLA was renegotiated during the year with the length increasing from less than 3 years to around 10 years. This change led to more certainty over future income and therefore increased the value of that asset. Another asset was successfully re-let following refurbishment works during the year which again resulted in a higher valuation. As measured against balance held in the fund at the start of the year, the income return for 2021/22 would have been 3.88%. The Fund has a minimum 90-day redemption period.

The valuations of the Council's investment in the 3 Multi Asset Funds also changed throughout the year, with an overall decrease in value across the 3 of £174k. These investments are seen as medium to long term investments over a 3 to 5 year period and so capital values will fluctuate up and down during this investment horizon.

Investments in the 3 Multi-Asset funds were made in June and July of 2021 and so the annualised income returns on the 3 funds, as measured against the initial values invested in the funds, would have been as follows: 2.14% (CCLA DIF), 3.32% (Ninety One Fund) and 5.27% (Aegon Fund).

Appendix B – Borrowing and Actual Investment Activity compared to the Approved Strategy for 2021/22

External borrowing

1. The Council has the freedom to borrow in the following circumstances:

   - Short-term borrowing to manage liquidity
   - Long-term borrowing only to fund capital expenditure if no other capital resources exist e.g. the Council has spent its capital receipts or expects to do so imminently

   The Council did not need to borrow externally in 2021/22.

2. Finance leases are deemed by Government to be a type of borrowing in the Council's Accounts and Treasury reporting must identify that the Council has borrowed money when they are used. At 31st March 2022, the Council had outstanding finance lease liabilities of £451k.

Investments

3. Officers with appropriate knowledge and training invest the Council's cash balances. Arlingclose are used as advisers on treasury management to help inform the decision-making process.

4. The Council's cash is invested in the following priority order, in accordance with statutory guidance:

   i) Security – protecting the capital sum invested from loss

   ii) Liquidity – ensuring the funds invested are available for expenditure when needed

   iii) Yield – subject to achieving proper security and liquidity, to pursue a yield on investments to support service provision

   The regulations and CIPFA both advise that absolute certainty of security of capital and liquidity does not have to be achieved before seeking yield from investments. An appropriate balance of all three should be sought and that balance is determined by the Council in its Treasury Strategy.

5. The Council uses cash-flow planning methods in order to manage its in-house investments. This allows officers to separate in-house funds in to two categories:

   - Shorter term, lower yielding investments – these investments are invested for relatively short durations, normally 3-6 months, in order to ensure that the maturity profile of investments matches the peaks and troughs in the Council's liquidity needs – particularly for the final 2 months of the year where council tax income falls significantly due to the 10 monthly instalments most residents choose to pay in.
   - Longer term, higher yielding investments – these are investments of 'core cash' which the Council does not require for operational purposes within the

short to medium term. These funds can be invested for a year or more in appropriate counterparties in order to generate higher yields without causing liquidity issues.

6. During 2021/22 the Council's investment portfolio increased from £47.0m to a closing balance of £76m. However, a significant proportion of this cash was temporary funding due to be paid over to different government departments or individuals, so does not form a part of the Council's core ongoing cash balance.

Compliance with Treasury Management Strategy

7. A summary of the approved treasury management strategy, together with actual outcomes is presented below:

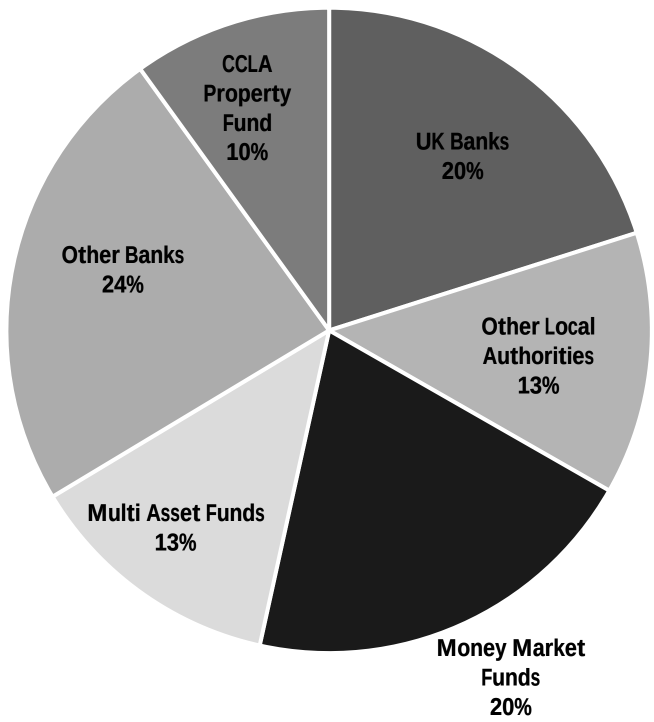
a.	**To ensure that there are no breaches of the approved counterparty limits or durations**	No breach occurred.
b.	**The option to invest further sums in pooled funds**	Investments in 3 Multi-Asset Funds occurred in 2021/22
c.	**To maintain a target balance of £15m of short notice funds to manage liquidity**	The Council held less than £15m in liquid funds for a period of 6 days at year end, however this was planned for in conjunction with government funding being received on the 30th March, so caused no liquidity problems

In 2021/22, the Council remained mindful of the risk of bail in losses from unsecured lending to banking counterparties. However, with the changing market pressures exerted by Covid-19 and the higher levels of liquidity that many local authorities experienced, there was less demand from local authorities in the market for the Council's investments. The Council would often invest with local authorities in a more typical year and so this resulted in a larger number of bank and building society investments than in previous years, therefore increasing the bail in risk to the Council. All investments were within approved limits and for approved counterparties, and so any risk to the Council was deemed minimal.

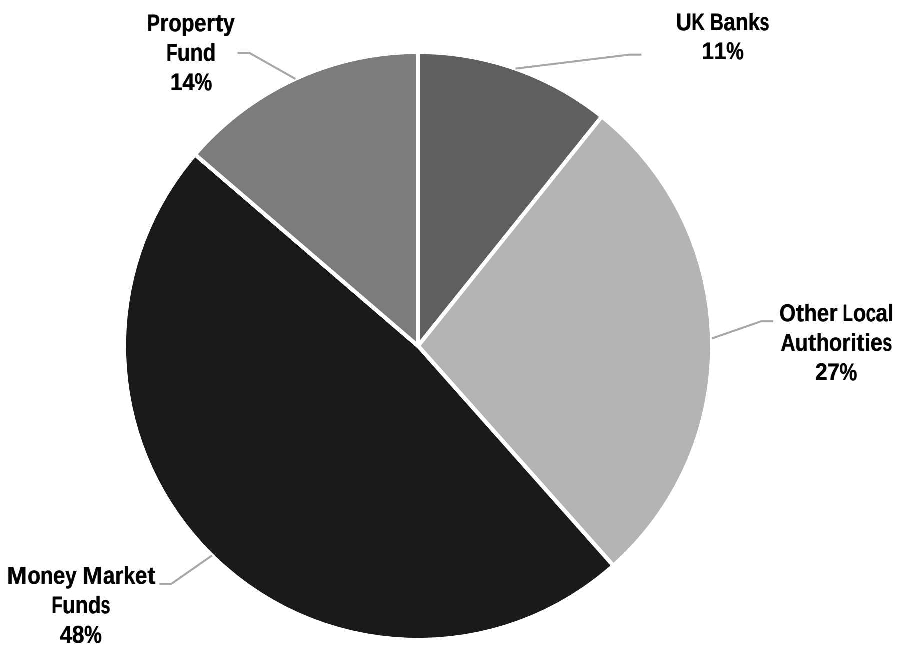
As at 31st March the Council's exposure to bail in risk (direct lending to banks and building societies) was 44%, against 11% at the end of the previous financial year.

Exposure	2019/20	2020/21	2021/22
Bail In Risk -Direct investment	20%	11%	44%
Bail In Risk – Pooled Fund Managers and Money Market Funds	26%	48%	33%
Exempt from Bail In (including CCLA)	54%	41%	23%
Total	100%	100%	100%

Investment at 31/03/22 By Sector



Investment at 31/03/21 By Sector



Counter Party

Money Market Funds & Long-Term Funds	Credit Rating (Fitch)	Sum Invested (31/03/2022)	Limits 2021/22
Black Rock Money Market Fund	AAAmmf	£3,336,540	£6,000,000
Insight MMF	AAAmmf	£5,999,010	£6,000,000
Invesco Money Market Fund	AAAmmf	£290	£6,000,000
BNP Paribas Money Market Fund	AAAmmf	£5,999,940	£6,000,000
CCLA Property Fund	N/A	£7,565,770	£8,000,000
Aegon Multi Asset Fund	N/A	£3,584,400	£10,000,000
Ninety-One Multi Asset Fund	N/A	£3,151,870	
CCLA Multi Asset Fund	N/A	£3,089,230	
Banks & Building Societies			
Natwest	A+	£278,060	£3,000,000
HSBC	AA-	£3,000,000	£3,000,000
Barclays	A+	£3,000,000	£3,000,000
Development Bank of Singapore	AA-	£3,000,000	£3,000,000
Nordea Bank	AA	£3,000,000	£3,000,000
Nationwide Building Society	A+	£3,000,000	£3,000,000
Landesbank Baden-Wurttemberg	A	£3,000,000	£3,000,000
Lloyds	A+	£3,000,000	£3,000,000
Santander	A+	£3,000,000	£3,000,000
DZ Bank	AA-	£3,000,000	£3,000,000
Toronto Dominion	AA	£3,000,000	£3,000,000
Rabobank	AA-	£2,976,340	£3,000,000
Local Authorities			
Warrington Borough Council	N/A	£5,000,000	£10,000,000
London Borough of Barking & Dagenham	N/A	£5,000,000	£10,000,000
Total Investments		**£75,981,450**	

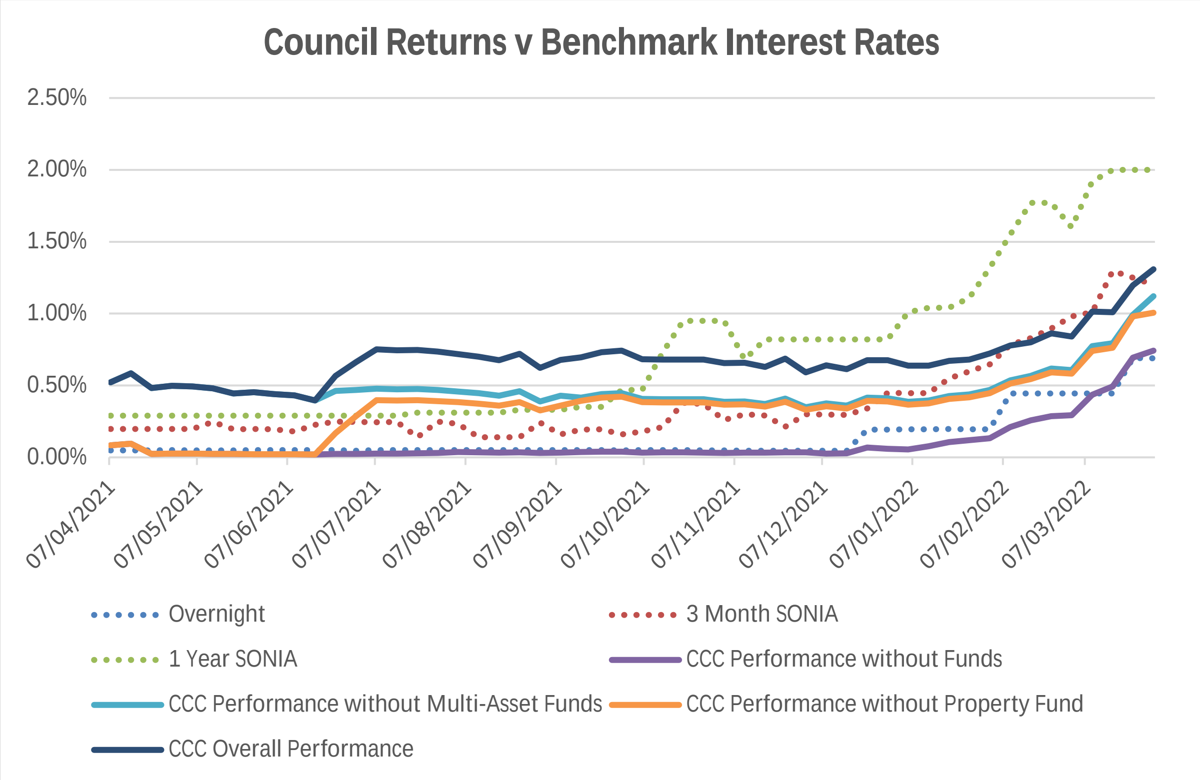
Return on investments

8. Interest rates remained at relatively low levels for the majority of 2021/22, with the Bank of England base rate being held at 0.10% until 16th December 2021 when it increased to 0.25%. The base rate was then increased a further 2 times during the financial year to reach 0.75% on the 17th March 2022. Some of these increases did have an impact on the fixed investments that were arranged near the end of the financial year, with some achieving rates in excess of 1.00%. Any increase in the base rate takes time to filter through to the Council's liquid Money Market Fund investments, with the rates on these at the end of the year ranging from 0.44% to 0.65%.

   Inflation pressures were significant during the end of 21/22 with the start of the Russia Ukraine war and continued supply issues, which both pushed the Bank of England's decision making in raising interest rates. Consequently, returns remained well below the prevailing high inflation rate, resulting in negative real rates of return on funds invested.

   Comparisons by Arlingclose out of 121 authorities (127 last year) show the City Council's total returns on investments remained in the second quartile for authorities in March 2022 (39th highest) compared to March 2021 (50th highest). This was an improvement year on year, predominantly due to the investments in multi-asset funds and higher fixed investment rates near the end of the financial year with different banks. When just looking at income return, the City Council sits 28th out of the 121 local authorities which formed a part of the year end benchmarking.

   The LIBOR (London Inter Bank Offered Rate) rates were superseded with the Sterling Overnight Rate (SONIA) during the financial year. The below table highlights these rates as a comparison against the returns the City Council generated.



The Council earned a total of £615,740.08 in investment income during the 2021/22 financial year, which was £325,740.08 additional income over the £290k budget. This was predominantly due to the investments in the 3 Multi-Asset funds as the income for this was not included in the £290k budget as not certain at the time. The income from these funds has been included in the investment income budget for future years.

In a raising rate environment, it is likely that the Council will lag behind the 1 year SONIA rate due to previous fixed term investments being invested at lower rates pre rate rises.

	Market investments (excluding CCLA and Multi Asset Funds)	**CCLA Property Fund Investment Income Yield (Based on 01/04/21 value)**	**Multi Asset Funds Income Yield (Based on inception value)**	**All Investments Income Yield**
	Year ending 31/03/2022			
Average yield	0.13%	3.88%	3.66%	0.75%

The yields above have used the opening balance on any fund investments (1st April 21 for CCLA property fund and inception dates for 3 Multi-Asset Funds). This differs to previous methods of reporting which have used the closing balance of the funds. This has resulted in the CCLA property fund showing a higher level of return due to a lower opening balance at the start of the financial year.

8.1 Funds

The City Council invested in 3 Multi-Asset Funds during the financial year and also maintained it's investment in the CCLA Property Fund. All of the Council's investments in these types of funds are seen as strategic and are therefore invested for the medium to long term for a rolling period of 3 to 5 years. The total balance invested makes up part of the Council's core cash that it is expected to hold for the long term.

Income Returns on the 4 funds are outlined below along with the closing capital value of the fund, initial investment value and unrealised gain or loss. For the 3 multi-asset funds, income returns have been annualised to reflect what the interest rate would have been for a full year investment. Income returns have been based off of the closing capital value of the fund, rather than the initial investment value.

Fund	Initial Investment Value	31/03/2022 Investment Value	Unrealised Gain/(Loss) (since inception)	Annualised Income Return (Based on earliest point of holding asset in year)	Annualised Total Return (2021/22)
CCLA Property Fund	£5,000,000	£7,565,769.47	£2,565,769.47	3.88%	18.23%
CCLA DIF	£3,100,000	£3,089,232.53	(£10,767.47)	2.14%	1.80%
Aegon DIF	£3,600,000	£3,584,400.00	(£15,600.00)	5.27%	4.86%
Ninety One DIF	£3,300,000	£3,151,872.53	(£148,127.47)	3.32%	-1.22%

Total Income from the 4 funds above during 2021/22 was £561,438.33.

The unrealised gain on the CCLA property fund during the financial year was £1,129,677.90, which generated a significant (but unrealised) total return for 2021/22.

Conclusion

The Council has operated within its Treasury Management Framework. This has enabled the Council to safeguard its financial assets and produce a good level of return relative to the prevailing market interest rates and other local authorities compared to via Arlingclose benchmarking.