

MINUTES

of the

TREASURY MANAGEMENT SUB-COMMITTEE

held on 21 October 2019 at 7pm

Present:

Councillor C.K. Davidson (Chair), Councillors M.W. Bracken, D.J.R. Clark, P.H. Clark and J.M.C. Raven

1. Apologies for Absence and Substitutions

No apologies for absence were received.

2. Minutes

The minutes of the meeting held on 20 June 2019 were confirmed as a correct record and signed by the Chair after a clarification was made on the closing time of the last meeting. This was amended to read 8.43pm.

3. Public Question Time

There were no questions from members of the public.

4. 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.

5. Treasury Management Mid-Year Review 2019/20

In accordance with the CIPFA Code of Practice the mid-year review of the Council's treasury management function and activities in 2019/20 was presented to the Sub-Committee. The review examined the position with the Council's investments at 31 August 2019 and compared treasury activity to the approved Treasury Management Strategy. The Sub-Committee was asked to consider whether any amendments to the Strategy were necessary and, if so, to recommend them to the Cabinet on 19 November and then Full Council on 11 December 2019.

The Sub-Committee was informed that the review detailed the activity since 1st April 2019 and any challenges since then. Members were informed that there was a breach of the Counter Party limits on 27th June 2019. It was noted that this was due to human error and guidance had since been expanded to stress the importance of following the standard process. It was also noted that this breach had no impact on the council's financial position.

Members were also informed that the review recommended an increase in the external debt limit. It was noted that this would provide greater flexibility for officers when considering the funding requirements of any new capital schemes. In response to questions from members, it was confirmed that officers wanted to maximise options and any decision to borrow would be taken after advice from Arlingclose. The Sub-Committee

agreed that raising the limit would allow greater flexibility. It was also agreed that officers look into the possibility of Arlingclose running a session on the topic for members.

It was noted by a member of the Committee that the CCLA property fund had not performed as well recently as in previous years and should therefore be closely monitored going forward. Officers agreed to continue to monitor the fund closely and confirmed that with Arlingclose they regularly monitor and review all investments. It was noted that the capital value had slightly decreased but the fund did still reflect half of the interest made by the council on investments. The Committee agreed that the fund should be monitored but did not agree with the suggestion made, to set a level at which the Council should liquidate the fund. The Committee stated it should be an operational decision by officers as to when to consider liquidating any fund. The other members of the Committee agreed that the concerns raised by one member were legitimate, but were happy with the current monitoring arrangements in place.

The Committee agreed that they were happy with the review and current position and to recommend the report to Cabinet. The Committee were also in agreement with the suggestion to raise the external debt limit, to provide greater flexibility

RESOLVED that;

1. the investment strategy is an appropriate balance of risk and return for the Council and;
2. that the report be recommended to the Cabinet.

(7pm to 7.52pm)

6. **Urgent Business**

There were no matters of urgent business brought before the Sub-Committee.

The meeting closed at 7.52pm.

Chair