

MINUTES OF THE TREASURY MANAGEMENT AND INVESTMENT SUB COMMITTEE

held on 17 October 2022

Present:

Councillor M.W. Bracken (Chair)

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

The Sub Committee observed a minutes silence in memory of Cllr John Galley, the Mayor of Chelmsford who had recently passed away.

Cllr Bracken was elected as Chair for the meeting.

1. Apologies for Absence and Substitutions

Apologies for absence were recieved from Cllr Davidson. No substitutions were made.

2. Minutes

The minutes of the meeting held on 20 June 2022 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. Briefing from the Council's new Treasury Advisors

The Sub-Committee recieved a briefing from the Council's new Treasury Advisors, Link Group, who attended the meeting remotely. The presentation focused on the below objectives;

- Gaining a broad appreciation of the economic outlook and Treasury Management
- Gaining an appreciation of the draft Balance Sheet and resource positions as of 31st March 2022
- Reviewing the current investment portfolio
- Discussing risk appetite and its implications for the future investment/borrowing strategies

The Sub-Committee thanked the new treasury advisors for their detailed presentation and noted that they looked forward to working together.

(6.03pm to 6.49pm)

6. Treasury Management Mid-Year Review 2022/23

In accordance with the CIPFA Code of Practice the mid-year review of the Council's treasury management function and activities in 2022/23 was presented to the Sub-Committee. The review examined the position with the Council's investments at 31 August 2022 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 Cabinet on 15 November and then Full Council on 7 December 2022.

The Sub-Committee heard that the report detailed the current position as well as how the rest of the financial year looked in terms of investments. It was noted that there had not been a need for external borrowing and due to higher interest rates there was at least £0.5m extra in the budget because of this. It was also noted however that some fund values had decreased in the current economic climate. Therefore as with all investments officers would be considering along with advice from the new advisors whether to reduce or dispose of certain investments.

In summary the Sub-Committee was informed that no breaches of the strategy had occurred and that higher interest rates would result in higher returns for cash investments. The Council would continue to use internal borrowing to fund the capital investments and that investments into three diversified income funds as a whole continued to enhance returns for the Council. It was also noted that no changes to the strategy were recommended for the rest of 2022/23.

RESOLVED that the Treasury Management Mid-Year Review for 2022/23 before the Sub-Committee be endorsed and recommended to Cabinet for approval.

(6.50pm to 7.05pm)

7. Urgent Business

There were no matters of urgent business to discuss.

The meeting closed at 7.05pm.

Chair