

ACCOUNTS AND AUDIT COMMITTEE

23 JULY 2019

PRESENT

Councillors E. Patel (in the Chair), G. Coggins, J. Dillon, A. Duffield, and J. Lloyd

Independent Member Mrs J. Platt

In attendance

Graeme Bentley	Deputy Director of Finance
Alexander Murray	Democratic and Scrutiny Officer

APOLOGIES

Apologies for absence were received from Councillors B. Brotherton, C. Boyes, P. Lally and A. Mitchell

12. QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions were received.

13. TREASURY MANAGEMENT - REVISION TO THE INVESTMENT STRATEGY

The Deputy Director of Finance introduced the report and explained the context of the change that was being made to the strategy. The Committee were informed that the Council invested its money in two ways. Those were through the treasury investment strategy, which was agreed by Council in February each year, and the asset investment strategy. While the two strategies were linked to each other the funds that each used were separate. The report described an alteration to the treasury investment strategy which would allow treasury funds to be used for two additional forms of investment.

The Deputy Director of Finance informed the Committee that these changes were being made due to draft Chartered Institute of Public Finance and Accountancy (CIPFA) guidance which placed a restriction on borrowing from the Public Works Loan Board (PWLB) for assets or provision of debt finance where the primary motive is investment return, rather than regeneration. Therefore the Council was extending the Treasury Management Strategy so that it further supported the Council's investment strategy in areas around green technology and investments that supported the Council's investment strategy.

A Committee Member asked why CIPFA gave guidance against using money borrowed from the PWLB for the purpose of financial return on investments. The Deputy Director of Finance responded that CIPFA were concerned at the amounts that Local Authorities were borrowing, rather than the specific risks associated with different types of investment.

The Committee Member then asked what this meant for the liquidity of the Council. The Deputy Director of Finance stated that due regards would be given to liquidity as with all other types of investment.

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Another Member asked about the maximum and minimum amounts of investment that were listed in the report. The Deputy Director of Finance responded that the levels set were appropriate to the types of proposed investment and that no investment could be made which would put the Council at an unreasonable level of risk.

Following Committee Members questions the Chair put the recommendations of the report to the Committee and they were all agreed.

RESOLVED:

- 1) That the report be noted by the Committee.
- 2) That the Committee agree the recommendations of the report.

The meeting commenced at 6.30 pm and finished at 6.42 pm