

Minutes of the Meeting of the FINANCIAL POLICY PANEL held on 3 December 2019

PRESENT -

Councillor Eber Kington (Chairman); Councillors Kate Chinn, Nigel Collin, Neil Dallen, David Gulland, Colin Keane, Barry Nash and Clive Smitheram

In Attendance: Nazmin Miah (Link Asset Services)

Absent:

Officers present: Lee Duffy (Chief Finance Officer) and Brendan Bradley (Chief Accountant)

4 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors regarding items on the agenda for the meeting.

5 TREASURY MANAGEMENT INTERIM REPORT - 2019/20

The Panel received a training presentation from the Council's external treasury advisor, Link Asset Services. Members discussed the current economic environment, including the current US-China trade negotiations, and their implications for the Council's treasury management policies and returns.

The panel requested a copy of the Council's Treasury Management Strategy 2019/20, which officers agreed to circulate after the meeting. (*Post meeting note - the Treasury Management Strategy is published on the Council's website [here](#)*)

Members noted that they would have the opportunity to review 2020/21's Treasury Management Strategy when it is presented to Council in February 2020.

Members asked about the cost of the Council's external advisors and how frequently they were used. Officers responded that the annual cost was around £9,000, and the advisors were used by officers frequently, specifically whenever a significant investment or borrowing decision arose. The advisors also provide officers with daily market updates relating to treasury matters, assist with producing a compliant Treasury Management Strategy, and provide the annual training presentation to Members.

Members asked whether the Council considered the 'climate change' agenda in its Treasury Management policies. Officers responded that the Council had to comply with CIPFA's Treasury Management and Prudential Codes, which stipulate 'Security, Liquidity & Yield' as the priorities of treasury management. If a suitable 'sustainable climate' investment opportunity arises, which meets the criteria of CIPFA's Treasury Management and Prudential Codes and of the Council's TM Strategy, then it would be considered on its merits.

Following consideration, the Panel agreed to:

- (1) Receive the presentation from Link Asset Services – Treasury Solutions.
- (2) Note the performance on return of investments for the first six months of 2019/20
- (3) Note the current investment decisions being made within the terms set out in the Treasury Management Strategy.

6 CAPITAL PROGRAMME 2020/21

The Panel received and considered a report that sought guidance on the capital programme for 2020/21.

Members noted that the provisional programme had been scrutinised and recommended by the Capital Member Group.

Members asked whether there is flexibility to amend the criteria for assessing capital schemes in future. Officers responded that the criteria had been in place for a number of years, as a means of assessing and prioritising capital schemes consistently and to protect the Council's diminishing capital reserves. Although the Council's capital reserves remain at a low level, the criteria are agreed within the Capital Strategy annually by Members, so there is scope for them to be reviewed/amended in future.

Following consideration, the Panel agreed with the advice of the Capital Member Group to submit the following 2020/21 capital programme to Council for approval in February, subject to the relevant policy committees first approving project appraisals:-

- (1) Prioritised schemes totalling £908,000, funded from capital receipts of £651,000; S106 funds of £23,000; revenue reserves of £34,000; and a budgeted revenue contribution of £200,000.
- (2) A Disabled Facilities Grant scheme totalling £600,000, subject to external funding sources.

7 S106 AND CIL UPDATE REPORT

The Panel received and considered a report on the Council's S106 and CIL fund balances.

Members noted that the majority of S106 funds were held within the 'Affordable Housing' category, and that no new S106 receipts (other than for affordable housing) were expected in future.

Following consideration, the Panel agreed to note:

- (1) The current position on S106 funds held by the authority;
- (2) The current position on CIL funds held by the authority.

8 MINUTES

The Minutes of the Meeting of the Financial Policy Panel held on 10 September 2019 were agreed as a true record and signed by the Chairman.

The meeting began at 6.00 pm and ended at 7.35 pm

COUNCILLOR EBER KINGTON (CHAIRMAN)