

Item 6 - Treasury Management Annual Report 2018/19

The attached report was considered by the Finance & Investment Advisory Committee on 3 September 2019. The relevant Minute extract is below.

Finance & Investment Advisory Committee (3 September 2019, Minute 17)

The Principal Accountant presented a report which provided the review of investment and borrowing activity during 2018/19 as required by the Council's Financial Procedure Rules. The report outlined the strategy adopted during the year, showed the position of the investment and debt portfolios at the beginning and the end of the year and gave details of how the investment fund had performed in comparison with previous years and against various benchmarks.

The overall rate of return exceeded the benchmarks and interest receipts exceeded the budget by approximately £113,700. This had been achieved due to investment rates being higher than anticipated as well as higher than expected investment balances. The Council also had a £50,000 stake in the Municipal Bonds Agency and was an equity shareholder. The agency was set up as an alternative to the Public Works Loan Board and could be considered should there be a requirement for additional borrowing. Members considered the report.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality duty.

Resolved: That it be recommended to Cabinet that the Treasury Management Annual Report for 2018/19 be approved, and note that whilst returns exceeded budget, inflation continued to outpace investment returns, leading to the gradual erosion of capital in real terms.