

COTSWOLD DISTRICT COUNCIL

AUDIT COMMITTEE
(SPECIAL MEETING)

16TH FEBRUARY 2016

Present:

Councillors -

T Cheung
R Theodoulou

LR Wilkins

Substitutes:

Jim Parsons (from 10.05 a.m.)

Apologies:

PCB Coleman

BS Dare

AUD.43 ELECTION OF TEMPORARY CHAIRMAN

In the absence of the Chairman, the Committee was requested to elect a Chairman, to serve for the duration of the Meeting. The Committee Services Manager invited nominations.

RESOLVED that Councillor R Theodoulou be elected Chairman of the Committee for the duration of this Special Meeting.

Record of Voting - for 2, against 0, abstentions 1, absent 2.

Note:

Councillor Theodoulou then took the Chair.

AUD.44 SUBSTITUTION ARRANGEMENTS

Councillor Jim Parsons substituted for Councillor BS Dare.

AUD.45 DECLARATIONS OF INTEREST

There were no declarations of interest.

AUD.46 TREASURY MANAGEMENT - HALF-YEAR REPORT 2015/16 INCLUDING PRUDENTIAL INDICATORS

The Committee was requested to consider a report detailing Treasury Management activity, including Prudential Indicators, for the first half of the financial year 2015/16 and to forward any comments thereon to the Council for consideration at its Meeting to be held on 23rd February 2016.

It was reported that there had not been any breaches of the Prudential Indicators and that investment income was expected to exceed the budget by approximately £30,000 by the end of the financial year. In response to various questions from Members, it was reported that the increase in investment income was as a result of the Council holding a higher level of balances; no changes had been made in respect of the Council's investment portfolio; the Council's investment policy was to achieve the best possible yield on investments within a secure environment; and the Council encouraged payment of Council Tax by Direct Debit as that was considered to be the most cost-effective method of collection.

It was considered that the table at paragraph 3.3 of Appendix 'A' attached to the circulated report should be amended to include reference to the Council's investments in pooled funds and property portfolios. The Committee also wished to clarify the fact that the Council's investments in commercial property physical assets were outside the scope of the report.

RESOLVED that:

- (a) the report be noted;**
- (b) the Committee's comments be forwarded to the Council.**

Record of Voting - for 4, against 0, abstentions 0, absent 1.

AUD.47 TREASURY MANAGEMENT STRATEGY 2016/17

The Committee was requested to consider the Treasury Management Strategy 2016/17 and to forward any comments thereon to the Council for consideration at its Meeting to be held on 23rd February 2016.

It was noted that no significant changes had been made to the 2015/16 Strategy, apart from a suggestion that the amount of money available for potential investment in Property Funds be increased from £2m to £5m. It was reported that the suggested increase would give Officers the flexibility to ensure that potential income from capital receipts generated by forthcoming land sales was maximised. In the ensuing debate thereon, concern was expressed over liquidity issues. It was reported that the opportunity for increased returns on investments by the Council carried greater risks; investment advice would be sought from the Council's Treasury Management advisors prior to any investments being made; and the Committee would also be consulted in its role as the Council's Investment Panel. It was further reported that investment in property was currently considered to be an attractive option for the Council because it achieved higher returns and there was often an element of capital appreciation, and that the Council would take any decision relating to capital investment in property.

It was suggested that the Council's Treasury Management advisors should be invited to address the Committee at a future Meeting. It was considered that the range of investments were in line with the current financial year and that investments in property should be in liquid assets. It was further considered that the Strategy was a realistic one which did not anticipate any great uplift and would deliver a prudent budget with the emphasis on liquidity, security and yield.

RESOLVED that:

- (a) the report be noted;**

(b) the Committee's comments be forwarded to the Council.

Record of Voting - for 4, against 0, abstentions 0, absent 1.

Note:

It was requested that details of the Council's investments be forwarded to the Committee.

AUD.48 EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public and Press be excluded from the Meeting for the following item of business on the grounds that it involved likely disclosure of exempt information as defined in paragraph (3) of Part I of Schedule 12A to the said Act (Information relating to financial or business affairs), and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information concerned.

Record of Voting - for 4, against 0, abstentions 0, absent 1.

AUD.49 ICELANDIC BANK GLITNIR

The Committee received an oral update in respect of the Council's investment in the Icelandic Bank, Glitnir.

RESOLVED that the report be noted.

Record of Voting - for 4, against 0, abstentions 0, absent 1.

The Meeting commenced at 10.00 a.m. and closed at 11.00 a.m.

Chairman

(END)