

## **County Council – 6 November 2020**

### **Item 9(d) - Notice of Motion by Cllr Millson**

#### **Council Investments – Briefing Note**

The Treasury Management Strategy Statement is approved annually by full Council as part of the budget process each February. It outlines how the Council manages its cash flows and includes the investment and borrowing strategies.

The purpose of the Council's treasury management activities is to ensure we are able to meet our financial commitments on an on-going basis. It sets out our policy on where the Council can hold its cash by considering the creditworthiness of financial institutions such as banks.

The Council's cash balances move up and down throughout the year as income is received from sources such as council tax and business rates and then paid out throughout the year as the council delivers its services to residents. Because of the fluctuating cash needs the majority of cash balances are held in short-term deposits.

However, we do invest some cash in longer-term funds to earn a higher rate of return when cash flow planning indicates the requirement for the funds is not needed in the short term. Investing in the longer term helps ensure we maximise our interest income to help fund the Council's activities. Our strategy for longer-term funds is outlined in the investment strategy section of the Treasury Management Strategy Statement. We do hold a number of pooled funds for longer term investment and these funds are included in our regular reporting to the Regulation, Audit and Accounts Committee.

The requirement to ensure fund managers sign up to the United Nations Principles of Responsible Investment is not currently included in the Treasury Management Strategy and the Cabinet Member for Finance has confirmed he will ensure the Treasury Management Strategy Statement includes this requirement when presented to full Council in February 2021.

We have reviewed our current activities and can confirm the current pooled fund managers investments are signed up to the United Nations Principles of Responsible Investment. We will also ensure any direct investments by the council also adhere to these principles.

**Katharine Eberhart**

Director of Finance and Support Services