

**Minutes of Treasury Management Sub-Committee Meeting  
of the Lower Severn (2005) Internal Drainage Board  
Held Wednesday 14<sup>th</sup> March 2018 at 10.00 am  
At Drainage Board Offices, Waterside Buildings**

**Present:** Ald C Williams                      Chairman  
 Mr G Littleton  
 Mr J Nichols  
 Cllr M Riddle  
 Martin Dear                      Accounts Officer                      AO  
 Sue Williams                      Minutes

<b>2641.</b>	<b>Election Chair for 2017/18</b>  <b>It was resolved that:</b> <ul style="list-style-type: none"> <li>• Ald Williams be appointed to chair the Treasury Sub-Committee until the annual meeting in November 2018.</li> </ul>	
<b>2642.</b>	<b>Apologies</b> Vere Boscawen had forwarded his apologies for not attending the meeting. Now the fund had been set up it was his intention to attend the Treasury Sub-Committee meeting annually.	
<b>2643.</b>	<b>Declaration of Member's Interest</b> No interests were declared.	
<b>2644.</b>	<b>Minutes of the Previous Meeting</b>  <b>It was resolved that:</b> <ul style="list-style-type: none"> <li>• The minutes of the 1<sup>st</sup> November 2017 meeting be approved as a true and accurate record.</li> </ul>	
<b>2645.</b>	<b>Market Update</b> Smith & Williamson had circulated updated valuations of the Board's securities. As Mr Boscawen was not in attendance the AO summarised his discussion with Vere Boscawen on the markets.  In January 2018 the markets had risen but had re-adjusted in February and had settled in March.  As most of the LSIDB investments were outside the UK any negative effect of BREXIT would be minimised. If the value of the £ fell overseas investments would be more attractive. Market growth had been strong. Inflation was rising but any increase in interest rates would be by small increments. The UK economy was strong but may be slowed by BREXIT and overseas markets were also strong.  He commented that the LSIDB should remain comfortable with the investments and considered there was no need to be change the portfolio at this time.	
<b>2646.</b>	<b>Review of Current Portfolio</b> The Committee reviewed the latest portfolio performance.  The AO was asked to obtain 'Key Investor Information Document (KIID)' for the two infrastructure funds; Sequoia Economic and John Laing which had	<b>Action 1</b> AO – KIID for two infrastructure funds

	shown poor capital growth but good gross yield income and to ask Smith & Williamson to comment.	
<b>2647.</b>	<p><b>Future Investment Strategy</b></p> <p>The Committee were happy to continue with the medium term risk strategy and were satisfied with the spread of investments within the portfolio.</p> <p>The AO asked the Committee to mindful that in the future investment income would be required to balance out rate increases rather than be re-invested.</p>	
<b>2648.</b>	<p><b>Smith &amp; Williamson Agreement</b></p> <p>Smith &amp; Williamson had reviewed their agreement and made changes to the way information was provided to investors. The Client Money Account would be closed and funds transferred to the LSIDB investment account.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>The changes itemised in the Smith and Williamson agreement dated March 2018 be accepted.</li> </ul>	<p><u>Action 2</u> AO – Accept the agreement</p>
<b>2649.</b>	<p><b>Schedule of Increases in Investments</b></p> <p>The last £50,000 had been transferred to Smith and Williamson for investment, making the total invested £500,000 at the 31<sup>st</sup> March 2017. The AO had produced a schedule to make an easy comparison, using the 31<sup>st</sup> March 2017 as the base date. This showed a total return of 5.94% in the 10 months to 31<sup>st</sup> January 2018.</p> <p>The Committee found the schedule a useful tool and suggested that when the AO updated the schedule for future meetings he include a comparison with RPI and World Index and also to itemise the management charge.</p>	<p><u>Action 3</u> AO Include additional information</p>
<b>2650.</b>	<p><b>Cash Flow – Cash Deposits</b></p> <p>The AO had produced a summary of the annual cash flow forecast from 2018/19 to 2022/23. The Committee requested the AO research short term deposit accounts with a view to getting a better return on cash surplus cash that was available throughout the year. This should include a wider range of banks than the Board had previously considered. The AO explained that a maximum of £85,000 could be deposited to be guaranteed by the government in each account.</p> <p>It was agreed to hold an ad hoc Treasury Sub-Committee meeting prior to June, to consider this information. In the meantime the AO would establish if the Sub-Committee could place deposits or if full Board approval was required.</p> <p>The AO asked the Committee the reasons for the number of separate bank accounts. The AO was instructed to contact the former RFO.</p>	<p><u>Action 3</u> AO - Research deposit accounts before June. Check terms of reference. Arrange meeting</p> <p><u>Action 4</u> AO to contact former RFO</p>
	The meeting closed at 10.45 am	