

Audit and Accounts Committee

4 November 2020

Minute Extract

39/20 Treasury Management Mid-Year Report 2020/21

The Committee received a report of the Strategic Director of Corporate Resources and S151 Officer on Treasury Management Mid-Year Report 2020/21.

It was reported that Council was required for good practice under the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the "CIPFA TM Code") to approve treasury management mid-year and outturn reports. It was also reported that the reports would be put before Council Cabinet on 11 November 2020 and Council on 25 November 2020.

Members noted that the mid-year report outlined the Treasury Management activity for the period 1 April 2020 to 30 September 2020 and comprised:

- Summary of the Financial Markets to date in 2020/21
- Forecast Outturn 2020/21
- Borrowing Activity
- Deposits
- Prudential Indicators

It was reported that the Treasury Management forecast outturn for 2020/21 was a net pressure of £0.550m as at 30 September 2020 and that this would be funded from the treasury management earmarked reserve.

It was noted that at the end of September 2020, total debt was £447.185m and total investments were £80.747m compared to £447.967m and £76.873m as at 31 March 2020 and that no new borrowings had been made or were anticipated to be made in the year.

It was reported that all Treasury Management activities of the Council up to 30 September 2020 had complied with Prudential Indicators.

Members noted that Treasury Management advice to the Council up to 30 September 2020 had been provided by Arlingclose and that their services included economic and interest rate forecasting, advice on strategy, portfolio structure, debt restructuring, investment policy and credit ratings and technical assistance on treasury matters as and when required.

Members agreed unanimously that the following extra recommendation be referred to Council Cabinet for consideration at its meeting on 11 November 2020:

- that in the light of on-going low interest rates, growing social need within the city and urgency of climate action, the Audit and Accounts Committee supports the council exploring the potential for commercial investment in areas like housing, energy efficiency and renewable energy, potentially with additional resource so that work on this can be taken forward soonest but with the necessary safeguards.

Resolved:

- 1. to note the treasury management activity mid-year position statement has been prepared for Council;**
- 2. to note the content of the report covers the requirements of the CIPFA code of practice; and**
- 3. to agree that in the light of on-going low interest rates, growing social need within the city and urgency of climate action, the Audit and Accounts Committee supports the council exploring the potential for commercial investment in areas like housing, energy efficiency and renewable energy, potentially with additional resource so that work on this can be taken forward soonest but with the necessary safeguards.**