

MINUTE EXTRACT

POLICY AND RESOURCES COMMITTEE

28 JULY, 2021

36 TREASURY MANAGEMENT ANNUAL REPORT 2020/21

Shaer Halewood, Director of Resources, introduced a report on the Authority's treasury management activity which was underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which required the Authority to approve treasury management semi-annual and annual reports.

The report fulfilled the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance.

As projected in the Treasury Management Mid-Year Report, there was an overspend on Treasury activities which was attributable to 2020/21 budget savings that were not achieved due to implementation delays emanating from COVID response activity and significant changes in interest rates on investments. This overspend was incorporated into the Revenue Outturn report.

The level of Capital Financing debt held on the balance sheet, including the Merseyside Residuary Body debt managed by the Council on behalf of the constituent authorities, was £166 million at 31 March 2021. This was a reduction of £3 million since 1 April 2020 and reflected policies to minimise and delay borrowing costs which adversely impacted upon the revenue budget.

The Council had complied with the Treasury Management Indicators as set out in the agreed Treasury Management Strategy for 2020/21.

In response to Members' comments, Pete Molyneux, Senior Finance Manager, gave an explanation as to those 'unrated' components of the Council's investment portfolio. Shaer Halewood, agreed to provide more detail in respect of the investment portfolio and the names of organisations and sums involved.

On a motion by the Chair, seconded by Councillor Yvonne Nolan, it was -

RECOMMENDED - To Council, that the Treasury Management Annual Report for 2020/21 be agreed.