

Audit, Risk and Governance Committee
Meeting to be held on Monday, 19 October 2020

Electoral Division affected: None;

Treasury Management Activity
(Appendices A and B refer)

Contact for further information:
Neil Kissock, Tel: (01772) 536154, Director of Finance, ,
neil.kissock@lancashire.gov.uk

Executive Summary

The report at Appendix A provides a review of the council's treasury management activities occurring in the financial year 2019/20. The report at Appendix B provides information on the activity in 2020/21 for the period April to August 2020.

Recommendation

The committee is asked to note the review of treasury management activities.

Background and Advice

The council's treasury management activity was underpinned by the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management. This code recommended that a treasury management report for members was produced after the end of each financial year and that a report on activities during the year be produced. Part of the remit of the Audit, Risk and Governance committee was to oversee treasury management activities.

The report at Appendix A provides a review of the council's treasury activities that occurred in 2019/20. The report at Appendix B provides information on the activity in 2020/21 for the period April to August 2020.

A key feature of the treasury management activity in both these reporting periods has been the actions taken to rebalance the maturity profile of the debt portfolio. This has included the council issuing two bonds, one for £350m in March 2020 and another for £250m in August 2020.

Both reports also highlight the high level of economic uncertainty during these periods. This has resulted in significant volatility in bond markets which has been a major factor in enabling net underspends against the treasury management budgets. In 2019/20 a net underspend of £22.9m was achieved while the current forecast net underspend for 2020/21 was £19.9m.

Consultations

Arlingclose are the council's external treasury advisers and their advice and analysis is referenced in the council's treasury management activity review.

Implications:

This item has the following implications, as indicated:

Risk Management

The council's treasury management strategy sets out a policy in respect of managing the risks associated with the council's borrowing and investment activity. The reviews at Appendix A and B describe how the council performed in relation to this strategy.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
The Chartered Institute of Public Finance and Accountancy Treasury Management Code of Practice	2017	Paul Dobson 01772 534725

Reason for inclusion in Part II, if appropriate

N/A