

notes of meeting

Panel Treasury and Capital Management Panel

Date 10 November 2015

Venue CIPFA, 77 Mansell Street

Members Richard Paver (Chair)
Manchester City Council

Innes Edwards
Edinburgh Council

Janet Senior
Lewisham LBC

Roy Nolan
*Outgoing Chair CIPFA Treasury
Management Network Advisory Group*

Luke Webster
*GLA Incoming Chair CIPFA
Treasury Management Network
Advisory Group*

By Invitation Paul Mayers
National Audit Office

Will Spinney
Association of Corporate Treasurers

Secretariat Mandy Bretherton
CIPFA

Matthew Allen
CIPFA

Panel Business

The Panel welcomed Luke to his first meeting and thanked Roy for his contribution to both the Panel and the Network. Apologies were received from Martin Easton, Kevin Jaquest, Damon Lawrenson, Jason Phillips and Joy Robson. There were no declarations of interest from those at the meeting. The Panel approved the minutes of its meeting of 22 July 2015, before turning to matters arising.

Solvency II

The Panel were briefed on the treatment of UK local authorities under Solvency II and the implications of their omission from the European Insurance And Occupational Pensions Authority (EIOPA) schedule of local and regional governments for which exposure would be treated as exposure to central government debt.

LOBOs

The Panel reviewed the current state of the debate and confirmed its decision not to enter the debate.

Training Update

The Panel re-iterated its commitment to an online modular form of training and identified examples of good practice that CIPFA could follow.

IFRS 9 Financial Instruments and IFRS Fair Value

Mandy Bretherton confirmed that the IFRS 9 technical working group had been set up and that it

would be considering the comments made on the issue in Accounting Code consultation.

IFRS 13 featured in the Code and there would be an elaboration in the guidance notes that would focus on the implications for financial instruments disclosures.

MiFID II

The Panel shared their assessment of its implications and stressed the lack of flexibility available in the interpretation of an EU Regulation. Shared service arrangements were noted to be one example of a UK arrangement that had not been given adequate recognition – especially given the structure of the LGPS.

The Panel re-iterated its support for any initiative from the CIPFA, LGA or other stakeholders to simplify the administrative burden of satisfying the regulations for each counter party individually. In addition CIPFA would need to be proactive in ensuring that practitioners were fully aware of the requirements.

Highways Network Assets

Mandy Bretherton briefed the Panel on the recent CIPFA/LASAAC decision.

CIPFA Position Statements

The Panel considered the draft position statement on the MRP which had previously been circulated in March.

Audit Scotland Report

Mandy Bretherton explained that this report was relevant to both the earlier Panel discussion on training requirements and the capital management aspect of its role.

The Panel thought that the report should be given more prominence and that it flagged up issues that the Panel should consider in formulating its 2016 work programme.

Horizon Scanning and Work programme

The Panel suggested the following updates to the horizon scanning document:

- Possibility of entering a phase of rising rates
- An evaluation of risk that recognises the weakness of relying on the country in which the institution is domicile.
- EU Referendum
- The exhaustion of the scope for internal borrowing.

Minutes from other relevant meetings

The Panel noted the minutes of the Public Finance and Management Board of 12 June 2015

Any other Business

There were no other items of business.