

Notes of Meeting

Panel Treasury and Capital Management Panel
Date 22 July 2015
Venue CIPFA, 77 Mansell Street

Members Richard Paver (Chair)
Manchester City Council
Stephen Baseby
Association of Corporate Treasurers
Mike Jenson (for Gill Kilpatrick)
Lancashire County Council
Society of County Treasurers
Innes Edwards
Edinburgh Council
Kevin Jaquest
Basingstoke
Bevis Ingram
Local Government Association
Paul Mayers
Audit Commission

By Invitation Gareth Caller
Communities and Local Government
Jon Salvador HM Treasury
Roy Nolan
Chair CIPFA Treasury Management Network Advisory Group

Secretariat Alison Scott
CIPFA
Matthew Patterson
CIPFA
Matthew Allen
CIPFA

Panel Business

Apologies in advance of the meeting were received from Jason Phillips, Martin Easton, Joy Robson, Janet Senior and Will Spinney. There were no declarations of interest from members of the Panel. The minutes of meeting of 19 March 2015 were approved,

CIPFA Business update

The Panel received an update report on recent CIPFA Business activity and current plans.

DCLG Update

Gareth Caller alerted the Panel to the new transformation programme. This led Panel to then consider the current state of the long standing debate on local authority reserves.

LOBOs

The Panel shared intelligence about recent media interest in the LOBO portfolios of some local authorities. It determined that its role in maintaining standards of financial administration did not require it to intervene in the debate.

DCLG Capital Statistics

The Panel noted the prospective of the capitalisation of financial instruments leading to an

increasing distortion over time and on the implications of devolved financial arrangements for the reported borrowing of individual authorities.

IFRS 9 and 13

The Panel considered it could have an early engagement with practitioners on IFRS 13 in order to aid development of the Code.

MiFID II

The Panel then re-reviewed the arguments that had led CIPFA to reach its submitted position, noting the merits of having a credible standard that remained realistic for local authorities and which did not override the personal responsibility of the Section 151 Officer. The Panel noted the importance of a formal skills audit to demonstrate compliance.

Green Initiatives and Funding Schemes

The Panel noted the key characteristics of the schemes currently on offer and stressed the need to ensure that non-finance specialists on organisations appreciated the need to evaluate them on the same terms as other financial instruments.

The Panel decided that the full range of new options available could be given some coverage in a Panel Bulletin and be subject to a more detailed analysis in a Treasury Network master class.

Horizon Scanning and Work programme

The Panel suggested that Basle III and the prospect of a further round of exchange rate/commodity price fixing charges should be added to the horizon scanning document.

CIPFA Publication update

The Panel decided that it would review the chapter in the balance sheet management publication that was within the scope of its expertise.

CIPFA Position Statements

It was agreed that a review and (if necessary) update of these should be a standing item on the agenda.

Minutes of other meetings

The minutes of other relevant meetings were noted.

The date of next meeting

The next meeting will take place on 10 November 2015

Any Other Business: Scottish Government Review of Legislative Provision for Local Authority Borrowing

Innes Edwards briefed the Panel on the need to address the consequences of temporary mismatches occurring between borrowing and lending as a consequence of treasury management operations. Subject to more detailed analysis, permitting temporary breaches of borrowing limits or the seeking temporary extensions of the limit were both possible solutions to the essential problem of achieving the necessary delegated authority.