

<b>MERSEYSIDE FIRE AND RESCUE AUTHORITY</b>			
<b>MEETING OF THE:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>		
<b>DATE:</b>	<b>27 NOVEMBER 2014</b>	<b>REPORT NO:</b>	<b>CFO/116/14</b>
<b>PRESENTING OFFICER</b>	<b>DEPUTY CHIEF EXECUTIVE</b>		
<b>RESPONSIBLE OFFICER:</b>	<b>KIERAN TIMMINS</b>	<b>REPORT AUTHOR:</b>	<b>IAN CUMMINS</b>
<b>OFFICERS CONSULTED:</b>			
<b>TITLE OF REPORT:</b>	<b>TREASURY MANAGEMENT INTERIM REPORT 2014/15</b>		

<b>APPENDICES:</b>	<b>APPENDIX A: TREASURY MANAGEMENT INTERIM REPORT 2013/14</b>
--------------------	---

### **Purpose of Report**

1. This report ensures that the Authority meets the requirements of the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Authority is required to comply with both Codes through Regulations issued under the Local Government Act 2003). The Codes require the Authority to review its Treasury Management activities during the year to ensure they are consistent with its approved Treasury Management Strategy and have remained within the approved Prudential Indicators. This report meets that requirement and outlines the Treasury Management activities and performance for April to September for the financial year 2014/15.

### **Recommendation**

2. That Members note the contents of the report.

### **Introduction and Background**

3. The CIPFA Code of Practice for Treasury Management in Local Authorities has been adopted by the Authority and a Treasury Policy Statement incorporated into Financial Regulations, which are contained within the Authority's Constitution, in accordance with the requirements of the Code. The arrangements for reporting treasury management activities to members are that the Deputy Chief Executive (DCE) will present a minimum of three reports: -
  - An Annual Treasury Strategy Report before the start of a financial year.
  - An interim report during the second half of a financial year, (other interim reports will be prepared if necessary).
  - An annual outturn report by 30<sup>th</sup> September following the financial year to which it relates.

4. The original Treasury Management Strategy Statement 2014/15 was contained within the Budget and Financial Plan report CFO/011/14 approved by the Authority at its meeting on 27<sup>th</sup> February, 2014. The strategy covered the following areas:
  - (a) prospects for interest rates;
  - (b) capital borrowing and debt rescheduling;
  - (c) annual investment strategy;
  - (d) external debt prudential indicators;
  - (e) treasury management prudential indicators.
  - (f) performance indicators;
  - (g) treasury management advisers
  
5. The Interim Treasury Management Report, attached as Appendix A, constitutes the interim report for 2014/15. In summary the treasury management activity has been carried out in compliance with the relevant Codes and Statutes and within the borrowing and treasury management limits set by the Authority under the prudential code. Performance indicators are consistent with the Authority's approved Treasury Management Strategy.

---

**Equality and Diversity Implications**

---

6. There are no equal opportunity implications in this report.

---

**Staff Implications**

---

7. None directly related to this report.

---

**Legal Implications**

---

8. This report meets the requirements of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 paragraph 24 issued under the Local Government Act 2003 and the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

---

**Financial Implications & Value for Money**

---

9. Borrowing and financing costs at £5.972m make up a significant proportion of Authority budgets (over 9%). It is vital that this is proactively managed alongside the investment portfolio to minimise risk.

---

**Risk Management, Health & Safety, and Environmental Implications**

---

10. None directly related to this report.

---

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

---

11. Sound budgetary management and the delivery of services within the approved budget contribute to the core value of providing an excellent and affordable response.

---

## **BACKGROUND PAPERS**

---

- CFO/011/14** “MFRA Budget and Financial Plan 2014/2015 – 2018/2019” Authority  
27<sup>th</sup> February 2014.
- CFO/143/10** “Treasury Policy Statement & Management Practices” Audit & VFM  
Scrutiny Panel 2<sup>nd</sup> September 2010.

---

## **GLOSSARY OF TERMS**

---

- CIPFA**            The Chartered Institute for Public Finance & Accountancy.