

## PLYMOUTH CITY COUNCIL

5 JULY 2010

<b>Audit Committee Minute 8 of the meeting held on 28 June 2010</b>	<b>ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITIES FOR 2009/10</b>
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In accordance with the Code of Practice for Treasury Management, the Director for Corporate Support submitted a report which –

- presented details of capital financing, borrowing, debt rescheduling and investment transactions
- commented on the risk implications of treasury decisions and transactions
- gave details of the outturn position on treasury management transactions in 2009/10
- confirmed compliance with treasury limits and Prudential Indicators

In response to questions asked, committee members were further advised that –

- (a) the Council's revised debt portfolio had a significant proportion of market loans which were tied up in LOBO's and could not be repaid early;
- (b) the Department of Communities and Local Government had repaid the HRA proportion of the Council's Public Works Loan Board debt totalling £91.37m as part of the Housing stock transfer, together with the early redemption premium of £25.94m;
- (c) overall, there had been a reduction in borrowing of £137.761m since 1 April 2009, reflecting the Council's policy to reduce debt;
- (d) the Council had not undertaken any new long term borrowing during the year but had instead taken advantage of low rate short term loans and internal balances to replace maturing loans and meet capital financing and cash flow requirements.

Agreed that –

- (1) Audit Committee note the Treasury Management Report for 2009/10;
- (2) the report be referred to full council as required by the CIPFA Treasury Management Code of Practice (TMP note);
- (3) Council be requested to approve the final Minimum Revenue

Provision (MRP) Policy for 2009/10 as outlined in paragraph 7.3 of the report.