

Teignbridge District Council Treasury Management Mid-Year Review 2017-18

Teignbridge District Council has adopted CIPFA's *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes 2011 Edition*. One of the requirements is the provision of a mid-year review of treasury management activities.

Activities Undertaken: Daily lending and borrowing from 1 April to 30 September 2017:

Fixed-term lending

Borrower	Terms %	Amount Lent £	Dates	Total Days Lent in year	Interest Earned in year £
Coventry Building Society	0.22	2,000,000	18/04/17 - 31/05/17	43	518.36
Nationwide Building Society	0.45	1,000,000	15/05/17 – 19/3/18	308	3,797.26
Lloyds Bank	0.65	1,000,000	15/05/17 – 15/02/18	276	4,915.07
Debt Management Office	0.15	1,000,000	15/05/17 – 22/05/17	7	28.77
Lloyds Bank	0.40	1,000,000	15/06/17 – 15/09/17	92	1,008.22
Coventry Building Society	0.33	1,000,000	15/06/17 – 27/11/17	165	1,491.78
Debt Management Office	0.10	8,000,000	15/09/17 – 18/09/17	3	65.75
Lloyds Bank	0.32	1,000,000	15/09/17 – 21/02/18	159	1,393.97

Deposits were also made into the following call accounts, dependent upon cash flow:

Bank	Account terms	Interest Earned £
Barclays Bank plc	0.05%	0.04
Clydesdale Bank	0.01% to 0.35% 30 days' notice	1,547.94
Clydesdale Bank	0.35% instant access	7.50
Royal Bank of Scotland	0.01% to 0.1% instant access	21.03
Santander UK plc	0.15% instant access	4,069.93
Public Sector Deposit Fund	0.18% to 0.25% instant access	7,633.85
Lloyds plc	0.15% current account	43.13
Lloyds plc Deposit account	0.15% instant access	1,529.39

Temporary Borrowing 1 April to 30 September 2017:

Lender	Terms %	Amount lent £	Dates	Days lent in year	Interest paid in year £
Lloyds Bank	1.25%		Overdraft agreement		4.71

Teignbridge District Council
Interim Performance Report for the Period 1 April to 30 September 2017

	Apr-Sep 2016-17	Apr-Sep 2017-18
(i) Short Term Funds Invested		
Interest received and receivable for the period	£17,679	£13,497
Maximum period of investment on any one loan made in the period	275 days	308 days
“Fixed” investment rates in period.	0.20% – 0.90%	0.10% - 0.65%
(ii) Short Term Funds Borrowed		
Interest paid and payable for the period	£73.62	£4.71
Number of new loans borrowed in the period	1	0
Maximum period of borrowing on any one loan borrowed in the period.	4 days	n/a
“Fixed” borrowing rates.	0.6%	n/a
(iii) Average Net Interest Rate Earned	0.44%	0.26%
(iv) Average Short Term Net Lending	£7,662,775	£10,392,330

Regular Monitoring

Two monthly reports are prepared for the Chief Finance Officer: a forecast of interest receivable for the year, and an investment comparison, which shows the sum available for investment compared to the previous year. The Chief Finance Officer presents a monthly report to CLT and updates the Executive Committee on a quarterly basis. These reports include any policy updates, such as changes to the official lending list, based on the latest ratings information. Full council receives an annual review and strategy statement and a mid-year review.

The interest forecast is currently predicting a total net interest receivable for the year of £35,084.82. This takes into account the base rate rise on 2 November 2017 and compares to £35,608.20 in 2016-17. The total forecast interest is therefore broadly similar to the amount earned in the previous year. Average daily lending is slightly higher in 2017-18 at £12.3 million compared to £9.7 million in 2016-17. However, average interest rate is lower at 0.28% compared to 0.37% in 2016-17. Average benchmark 7-day LIBID rate to the end of September 2017 was 0.19%.

Treasury Management Indicators

These are part of the Prudential Indicators, as agreed at Full Council on 21 February 2017. They are available on request or on the Teignbridge website agenda for that meeting.