

Teignbridge District Council Treasury Management Mid-Year Review 2020-21

Teignbridge District Council has adopted CIPFA's *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes 2017 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 2020:

Fixed-term lending

Borrower	Terms %	Amount Lent £	Dates	Total Days Lent in year	Interest Earned to 30/9/20 £
Debt Management Office	0.100	44,000,000	01/04/20 – 08/04/20	7	843.84
Debt Management Office	0.040	5,000,000	08/04/20 – 09/04/20	1	5.48
Debt Management Office	0.045	4,500,000	08/04/20 – 14/04/20	6	33.29
Debt Management Office	0.095	34,500,000	08/04/20 – 16/04/20	8	718.36
Debt Management Office	0.055	1,000,000	14/04/20 – 17/04/20	3	4.52
Debt Management Office	0.080	1,000,000	15/04/20 – 23/04/20	8	17.53
Debt Management Office	0.080	1,500,000	15/04/20 – 27/04/20	12	39.45
Debt Management Office	0.040	12,500,000	16/04/20 – 17/04/20	1	13.70
Debt Management Office	0.045	18,000,000	16/04/20 – 20/04/20	4	88.77
Debt Management Office	0.080	500,000	17/04/20 – 29/04/20	12	13.15
Debt Management Office	0.040	1,400,000	20/04/20 – 21/04/20	1	1.53
Debt Management Office	0.045	2,000,000	20/04/20 – 22/04/20	2	4.93
Debt Management Office	0.055	1,000,000	20/04/20 – 23/04/20	3	4.52
Debt Management Office	0.060	5,000,000	20/04/20 – 24/04/20	4	32.88
Debt Management Office	0.080	7,200,000	20/04/20 – 27/04/20	7	110.47
Debt Management Office	0.080	1,000,000	22/04/20 – 29/04/20	7	15.34
Debt Management Office	0.080	3,000,000	24/04/20 – 30/04/20	6	39.45
Debt Management Office	0.080	6,500,000	27/04/20 – 04/05/20	7	99.73
Debt Management Office	0.080	1,000,000	29/04/20 – 11/05/20	12	26.30
Debt Management Office	0.080	1,100,000	30/04/20 – 19/05/20	19	45.81
Debt Management Office	0.080	1,400,000	30/04/20 – 22/05/20	22	67.51
Debt Management Office	0.055	2,000,000	01/05/20 – 26/05/20	25	75.34
Debt Management Office	0.055	1,500,000	01/05/20 – 27/05/20	26	58.77
Debt Management Office	0.040	1,000,000	04/05/20 – 06/05/20	2	2.19
Debt Management Office	0.040	1,000,000	04/05/20 – 12/05/20	8	8.77
Debt Management Office	0.050	3,400,000	04/05/20 – 19/05/20	15	69.86
Debt Management Office	0.040	400,000	11/05/20 – 27/05/20	16	7.01
Debt Management Office	0.040	1,000,000	12/05/20 – 27/05/20	15	16.44
Debt Management Office	0.040	2,000,000	14/05/20 – 27/05/20	13	28.49
Debt Management Office	0.040	1,000,000	15/05/20 – 18/05/20	3	3.29
Debt Management Office	0.040	4,500,000	15/05/20 – 27/05/20	12	59.18
Debt Management Office	0.050	1,000,000	15/05/20 – 08/06/20	24	32.88
Debt Management Office	0.050	2,500,000	15/05/20 – 22/06/20	38	130.14
Debt Management Office	0.040	1,000,000	19/05/20 – 20/05/20	1	1.10
Debt Management Office	0.040	1,000,000	19/05/20 – 23/06/20	35	38.36

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Borrower	Terms %	Amount Lent £	Dates	Total Days Lent in year	Interest Earned to 30/9/20 £
Debt Management Office	0.040	1,400,000	19/05/20 – 26/06/20	38	58.30
Debt Management Office	0.020	1,000,000	26/05/20 – 28/05/20	2	1.10
Debt Management Office	0.020	1,000,000	29/05/20 – 24/06/20	26	14.25
Debt Management Office	0.035	1,000,000	01/06/20 – 03/06/20	2	1.92
Debt Management Office	0.020	1,000,000	01/06/20 – 10/06/20	9	4.93
Debt Management Office	0.020	1,000,000	01/06/20 – 02/07/20	31	16.99
Debt Management Office	0.020	1,000,000	10/06/20 – 07/08/20	58	31.78
Debt Management Office	0.020	4,000,000	15/06/20 – 02/07/20	17	37.26
Debt Management Office	0.020	4,500,000	15/06/20 – 07/08/20	53	130.68
Debt Management Office	0.010	1,000,000	24/06/20 – 02/07/20	8	2.19
Debt Management Office	0.010	1,000,000	26/06/20 – 02/07/20	6	1.64
Debt Management Office	0.010	2,500,000	01/07/20 – 02/07/20	1	0.68
Debt Management Office	0.010	1,000,000	02/07/20 – 06/07/20	4	1.10
Debt Management Office	0.010	4,000,000	15/07/20 – 20/07/20	5	5.48
Debt Management Office	0.010	1,000,000	15/07/20 – 23/07/20	8	2.19
Debt Management Office	0.010	2,000,000	15/07/20 – 07/08/20	23	12.60
Debt Management Office	0.010	1,000,000	23/07/20 – 29/07/20	6	1.64
Debt Management Office	0.010	500,000	29/07/20 – 21/08/20	23	3.15
Debt Management Office	0.010	1,000,000	31/07/20 – 07/08/20	7	1.92
Debt Management Office	0.010	1,000,000	03/08/20 – 07/08/20	4	1.10
Debt Management Office	0.010	500,000	03/08/20 – 12/08/20	9	1.23
Debt Management Office	0.010	1,250,000	03/08/20 – 19/08/20	16	5.48
Debt Management Office	0.010	1,000,000	07/08/20 – 14/08/20	7	1.92
Debt Management Office	0.010	1,000,000	12/08/20 – 19/08/20	7	1.92
Debt Management Office	0.010	500,000	14/08/20 – 26/08/20	12	1.64
Debt Management Office	0.010	500,000	17/08/20 – 28/08/20	11	1.51
Debt Management Office	0.010	250,000	17/08/20 – 04/09/20	18	1.23
Debt Management Office	0.010	250,000	17/08/20 – 09/09/20	23	1.58
Debt Management Office	0.010	2,000,000	17/08/20 – 15/09/20	29	15.89
Debt Management Office	0.010	2,500,000	17/08/20 – 21/09/20	35	23.97
Debt Management Office	0.010	1,250,000	17/08/20 – 23/09/20	37	12.67
Debt Management Office	0.010	1,500,000	01/09/20 – 14/09/20	13	5.34
Debt Management Office	0.010	2,000,000	01/09/20 – 30/09/20	29	15.89
Debt Management Office	0.010	250,000	08/09/20 – 25/09/20	17	1.16
Debt Management Office	0.010	1,000,000	09/09/20 – 12/10/20	33	6.03
Debt Management Office	0.010	1,500,000	15/09/20 – 19/10/20	34	6.58
Debt Management Office	0.010	500,000	18/09/20 – 28/09/20	10	1.37
Debt Management Office	0.010	1,000,000	21/09/20 – 22/09/20	1	0.27
Debt Management Office	0.010	1,000,000	22/09/20 – 21/10/20	29	2.47
Debt Management Office	0.010	1,250,000	23/09/20 – 23/10/20	30	2.74
Sub-total fixed lending					3,200.15

Deposits were also made into the following call accounts and money market funds, dependent upon cash flow:

Bank	Account terms	Interest Earned £
Clydesdale Bank	0.05% - 0.2%	0.28

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Royal Bank of Scotland	0.01% - 0.19%	0.33
Santander UK plc	Base rate less 0.10% - 0.012%	0.00
Public Sector Deposit Fund	0.1145% - 0.4089%	3,735.87
Lloyds plc 95-day notice	0.30% - 0.45%	1,724.45
Lloyds plc 32-day notice	0.10% - 0.45%	739.82
Lloyds plc Deposit account	Base rate less 0.10%	0.00
Aberdeen Standard	0.0874% - 0.4089%	3,535.33
Lloyds plc current account	Base rate less 0.10%	0.85
Sub-total call accounts and money market funds		9,736.93
Grand total all lending		12,937.08

Temporary Borrowing 1 April to 30 September 2020:

Lender	Terms %	Amount lent £	Dates	Days lent in year	Interest paid in year £
Lloyds Bank	Base + 1%	Variable	Overdraft agreement	2	0.98

**Teignbridge District Council
Interim Performance Report for the Period 1 April to 30 September 2020**

	Apr-Sep 2019-20	Apr-Sep 2020-21
(i) Short Term Funds Invested		
Interest received and receivable for the period	£57,490	£12,937
Maximum period of investment on any one loan made in the period	179 days	58 days
“Fixed” investment rates in period.	0.50% - 0.89%	0.01% - 0.10%
(ii) Short Term Funds Borrowed		
Interest paid and payable for the period	£3.04	£0.98
Number of new “fixed” loans borrowed in the period	0	0
Maximum period of borrowing on any one “fixed” loan borrowed in the period.	0	0
“Fixed” borrowing rates.	n/a	n/a
(iii) Average Net Interest Rate Earned	0.81 %	0.06%
(iv) Average Short Term Net Lending	£14,124,098	£21,245,873

Regular Monitoring

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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 CMT 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 predicts total net interest receivable for the year of £15,230. This compares to £120,625 in 2019-20. This forecast decrease is mainly due to the reduction in interest rates. Base rate was reduced to 0.10% on 19th March 2020 as part of the measures taken by the Bank of England (BOE) to support the economy during the Covid 19 pandemic. During the first half of the year, there has been an increase in the funds available for lending out (average daily lending is £21.2 million in 2020-21 compared to £14.1 million at the same stage in 2019-20. This is mainly due to funding received from Government to enable the payment of business grants. This could not be invested long-term. The average net interest rate achieved is 0.06% in 2020-21, compared to 0.81% at the same point in 2019-20). Average benchmark 7-day LIBID rate has been negative since 3rd July 2020.

Treasury Management Indicators

These are part of the Prudential Indicators, as agreed at Full Council on 24 February 2020. They are available on request or on the Teignbridge website agenda for that meeting.