

Teignbridge District Council Treasury Management Year-End Results 2017-18

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 year-end report of treasury management activities.

Activities Undertaken: Daily lending and borrowing from 1 April 2017 to 31 March 2018:
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
Debt Management Office	0.10	4,000,000	16/10/17 – 23/10/17	7	76.71
Skipton Building Society	0.19	1,000,000	16/10/17 – 04/01/18	80	416.44
Principality Building Society	0.21	1,000,000	16/10/17 – 04/01/18	80	460.27
Debt Management Office	0.25	6,000,000	15/11/17 – 27/11/17	12	493.15
Nottingham Building Society	0.55	1,000,000	15/11/17 – 16/03/17	121	1,823.29
Nationwide Building Society	0.38	1,000,000	15/12/17 – 29/03/17	104	1,082.74
Coventry Building Society	0.40	1,000,000	15/12/17 – 29/03/17	104	1,139.73
Debt Management Office	0.25	1,000,000	15/12/17 – 19/12/17	4	27.40
Debt Management Office	0.25	2,000,000	02/01/18 – 04/01/18	2	27.40
Debt Management Office	0.25	2,000,000	15/01/18 – 22/01/18	7	95.89
Debt Management Office	0.25	1,000,000	17/01/18 – 22/01/18	5	34.25
Debt Management Office	0.25	500,000	22/01/18 – 31/01/18	9	30.82
Debt Management Office	0.25	500,000	25/01/18 – 08/02/18	14	47.95
Debt Management Office	0.25	1,000,000	30/01/18 – 08/02/18	9	30.82
Debt Management Office	0.25	1,000,000	01/02/18 – 05/02/18	4	27.40

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

Bank	Account terms	Interest Earned £
Barclays Bank plc	0.05% to 0.3% instant access	45.79
Barclays Bank plc	0.7% 95-day notice	1,150.69
Close Brothers	0.01% (accounts closed)	0.01
Clydesdale Bank	0.1% to 0.4% 30-day notice	1,987.33
Clydesdale Bank	0.15% to 0.35%	0.17
Royal Bank of Scotland	0.01% to 0.15%	13.25
Santander UK plc	0.15% to 0.4% instant access	3,161.65
Public Sector Deposit Fund	0.18% to 0.46% instant access	7,695.30
Lloyds plc	0.15% to 0.4% current account	198.25

Appendix 2

Lloyds plc Deposit account	0.15% to 0.4% instant access	1,621.48
Lloyds Bank (32-day notice)	0.32% to 0.57% 32-day notice	2,556.58
Standard Life Sterling Liquidity	0.14% to 0.41% instant access	3,774.26

Temporary Borrowing 1 April 2017 to 31 March 2018:

Lender	Terms %		Days borrowed in year	Interest paid in year
Lloyds Bank	1.25% to 1.5%	Overdraft agreement	1	4.71

**Teignbridge District Council
Performance Report for the Period 1 April 2017 to 31 March 2018**

	Apr-Mar 2016-17	Apr-Mar 2017-18
(i) Short Term Funds Invested		
Interest received and receivable for the period	£35,766	£39,844
Maximum period of investment on any one loan made in the period	275 days	308 days
“Fixed” investment rates in period.	0.1% - 0.9%	0.1% – 0.65%
(ii) Short Term Funds Borrowed		
Interest paid and payable for the period	£158.15	£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	0 (overdraft only)
“Fixed” borrowing rates.	0.6%	n/a
(iii) Average Net Interest Rate Earned	0.37%	0.33%
(iv) Average Short Term Net Lending	£9,691,691	£12,134,604

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.

Total net interest received in 2017-18 was £39,839.52. This compares to £35,608 in 2016-17. The increase is due to two factors. The average interest rate earned was lower in 2017-18 because the Bank of England base rate remained at 0.25% until 2 November 2017, after which, it was increased to 0.5%. However, the lower interest rate was offset by a higher net daily lending amount of £12.1 million, compared to £9.7 million in 2016-17, mainly due to grants and contributions which were received in advance of expenditure.

Compliance with policies and practices and regulatory requirements

The Treasury Management function is audited annually by both internal and external audit to ensure that it is complying with the policies and practices agreed by Full Council, with updates agreed by Executive. A 4-star "Excellent" rating was achieved for 2017-18.

A copy of the Treasury Management Practices and attendant schedules is kept in the Accountancy section. These detail the risk implications of the function and the procedures which are in place to mitigate the risks.

Treasury Management Indicators

These are part of the Prudential Indicators, as agreed at Full Council on 22 February 2018. They are available on request or on the Teignbridge website agenda for that meeting.