

Teignbridge District Council Treasury Management Year-End Results 2018-19

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 2018 to 31 March 2019:

Fixed-term lending

Borrower	Terms %	Amount Lent £	Dates	Total Days Lent in year	Interest Earned in year £
Close Brothers	1.00%	1,000,000	03/04/18 – 15/03/19	346	9,479.45
DMO	0.25%	8,000,000	16/04/18 – 20/04/18	4	219.18
Nottingham Building Society	0.55%	1,000,000	15/05/18 – 10/08/18	87	1,310.96
Coventry Building Society	0.70%	1,000,000	15/05/18 – 09/11/18	178	3,413.70
DMO	0.25%	1,000,000	15/05/18 – 21/05/18	6	41.10
DMO	0.25%	1,000,000	15/06/18 – 19/06/18	4	27.40
DMO	0.25%	1,000,000	02/07/18 – 04/07/18	2	13.70
DMO	0.25%	2,000,000	16/07/18 – 19/07/18	3	41.10
Nationwide Building Society	0.71%	1,000,000	16/07/18 – 25/03/19	252	4,901.92
Nationwide Building Society	0.69%	1,000,000	16/07/18 – 11/01/19	179	3,383.84
DMO	0.45%	3,000,000	01/08/18 – 09/08/18	8	295.89
Santander	0.90%	1,000,000	15/08/18 – 19/03/19	216	5,326.03
DMO	0.50%	2,000,000	15/08/18 – 20/08/18	5	136.99
DMO	0.50%	1,000,000	03/09/18 – 17/09/18	14	191.78
Thurrock Council	0.90%	1,000,000	03/09/18 – 15/03/19	193	4,758.90
DMO	0.50%	1,000,000	06/09/18 – 07/09/18	1	13.70
DMO	0.50%	1,000,000	07/09/18 – 17/09/18	10	136.99
Santander	0.85%	1,000,000	02/10/18 – 14/03/19	163	3,795.89
DMO	0.50%	5,000,000	15/10/18 – 22/10/18	7	479.45
DMO	0.50%	2,000,000	15/11/18 – 19/11/18	4	109.59
DMO	0.50%	1,000,000	15/11/18 – 23/11/18	8	109.59
DMO	0.50%	4,000,000	15/11/18 – 26/11/18	11	602.74
Coventry Building Society	0.78%	1,000,000	03/12/18 – 26/03/19	113	2,414.79
DMO	0.50%	1,500,000	17/12/18 – 21/12/18	4	82.19
DMO	0.50%	5,000,000	17/12/18 – 04/01/19	18	1,232.88
DMO	0.50%	2,300,000	02/01/19 – 04/01/19	2	63.01
DMO	0.50%	3,000,000	15/01/19 – 21/01/19	6	246.58
DMO	0.50%	1,000,000	15/01/19 – 23/01/19	8	109.59
DMO	0.50%	3,700,000	15/01/19 – 08/02/19	24	1,216.44
Coventry Building Society	0.50%	1,000,000	25/01/19 – 08/02/19	14	191.78
DMO	0.51%	500,000	28/01/19 – 08/02/19	11	76.85
DMO	0.50%	500,000	30/01/19 – 08/02/19	9	61.64
DMO	0.50%	1,600,000	01/02/19 – 04/02/19	3	65.75
DMO	0.51%	1,000,000	04/02/19 – 08/02/19	4	55.89
DMO	0.50%	1,000,000	15/02/19 – 18/02/19	3	41.10

Appendix 2

DMO	0.50%	2,000,000	15/02/19 – 19/02/19	4	109.59
DMO	0.50%	2,000,000	01/03/19 – 04/03/19	3	82.19
DMO	0.51%	500,000	04/03/19 – 15/03/19	11	76.85
DMO	0.50%	1,000,000	14/03/19 – 15/03/19	1	13.70
Close Brothers	1.15%	1,000,000	15/03/19 – 23/12/19	283 (17 in year)	504.11
Thurrock Council	1.06%	1,000,000	15/03/19 – 15/01/20	306 (17 in year)	464.66

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

Bank	Account terms	Interest Earned £
Barclays Bank plc	0.25% to 0.55% instant access	46.86
Barclays 95-day notice	0.50% to 0.70% 95-day notice	2,422.87
Clydesdale Bank	0.20% 30 days' notice	0.74
Clydesdale Bank	0.35% to 0.50% instant access	86.70
Royal Bank of Scotland	0.05% to 0.20% instant access	1.16
Santander UK plc	0.25% to 0.40% instant access	1,108.55
Public Sector Deposit Fund	0.46% to 0.81% instant access	19,589.68
Lloyds plc 175-day notice	0.75% to 1.13% 175-day notice	15,937.67
Lloyds plc	0.40% to 0.65% current account	431.40
Lloyds plc Deposit account	0.40% to 0.65% instant access	4,407.74
Aberdeen Standard (formerly Standard Life)	0.41% to 0.74% instant access	13,066.37

Temporary Borrowing 1 April 2018 to 31 March 2019:

Lender	Terms %	Amount lent £	Dates	Days lent in year	Interest paid in year £
Lloyds Bank	Base + 1%	0	Overdraft agreement	0	0
Vale of Glamorgan Council	0.42%	1,000,000	29/05/18 – 01/06/18	3	34.52

Teignbridge District Council Performance Report for the Period 1 April 2018 to 31 March 2019

	Apr-Mar 2017-18	Apr-Mar 2018-19
(i) Short Term Funds Invested		
Interest received and receivable for the period	£39,844	£102,999
Maximum period of investment on any one loan made in the period	308 days	346 days
“Fixed” investment rates in period.	0.10% – 0.65%	0.25% - 1.15%

Appendix 2

(ii) Short Term Funds Borrowed

Interest paid and payable for the period	£4.71	£34.52
Number of new loans borrowed in the period	0	1
Maximum period of borrowing on any one loan borrowed in the period.	n/a	3 days
“Fixed” borrowing rates.	n/a	0.42%

(iii) Average Net Interest Rate Earned

0.33% 0.71%

(iv) Average Short Term Net Lending

£12,134,604 £14,566,511

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 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.

Total net interest received in 2018-19 was £102,964.70. This compares to £ 39,839.52 in 2017-18. The increase is mainly due to higher interest rates (an average of 0.71%, compared to 0.33% in 2017-18), although there has also been an increase in the funds available for lending out (average daily lending is slightly higher in 2018-19 at £14.6 million compared to £12.1 million in 2017-18). Average benchmark 7-day LIBOR rate for 2018-19 was 0.63%.

Treasury Management Indicators

These are part of the Prudential Indicators, as agreed at Full Council on 28 February 2019. They are available on request or on the Teignbridge website agenda for that meeting.