

Teignbridge District Council Treasury Management Mid-Year Review 2019-20

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 2019:

Fixed-term lending

Borrower	Terms %	Amount Lent £	Dates	Total Days Lent in year	Interest Earned to 30/9/19 £
Close Brothers**	1.15	1,000,000	15/03/19 – 23/12/19	266	5,765.75
Thurrock Council**	1.06	1,000,000	15/03/19 – 15/01/20	289	5,314.52
Debt Management Office	0.51	500,000	02/04/19 – 19/04/19	16	111.78
Debt Management Office	0.50	8,100,000	15/04/19 – 18/04/19	3	332.88
Debt Management Office	0.50	500,000	18/04/19 – 30/04/19	12	82.19
Debt Management Office	0.50	1,000,000	25/04/19 – 26/04/19	1	13.70
Debt Management Office	0.50	2,500,000	15/05/19 – 20/05/19	5	171.23
Debt Management Office	0.50	2,000,000	15/05/19 – 28/05/19	13	356.16
Debt Management Office	0.50	3,000,000	15/05/19 – 29/05/19	14	575.34
Nationwide Building Society	0.75	1,000,000	15/05/19 – 08/08/19	85	1,746.58
Coventry Building Society	0.89	1,000,000	17/06/19 – 13/12/19	179	2,584.66
Nottingham Building Society	0.85	1,000,000	17/06/19 – 13/09/19	88	2,049.32
Debt Management Office	0.50	2,400,000	17/06/19 – 19/06/19	2	65.75
Debt Management Office	0.50	2,000,000	17/06/19 – 24/06/19	7	191.78
Debt Management Office	0.50	1,000,000	17/06/19 – 04/07/19	17	232.88
Debt Management Office	0.50	500,000	26/06/19 – 04/07/19	8	54.79
Debt Management Office	0.50	3,000,000	01/07/19 – 04/07/19	3	123.29
Debt Management Office	0.50	4,000,000	15/07/19 – 22/07/19	7	383.56
Debt Management Office	0.50	1,000,000	15/07/19 – 23/07/19	8	109.59
Debt Management Office	0.50	1,000,000	24/07/19 – 08/08/19	15	205.48
Coventry Building Society	0.65	1,000,000	24/07/19 – 23/09/19	61	1,086.30
Debt Management Office	0.50	3,700,000	01/08/19 – 08/08/19	7	354.79
Debt Management Office	0.50	3,000,000	15/08/19 – 19/08/19	4	164.38
Debt Management Office	0.50	1,000,000	15/08/19 – 23/08/19	8	109.59
Debt Management Office	0.51	1,000,000	15/08/19 - 16/09/19	32	447.12
Principality Building Society	0.56	1,000,000	15/08/19 – 16/09/19	32	490.96
Debt Management Office	0.50	500,000	29/08/19 – 16/09/19	18	123.29
Debt Management Office	0.50	2,600,000	02/09/19 – 16/09/19	14	498.63
Debt Management Office	0.50	1,000,000	10/09/19 – 23/09/19	13	178.08
Debt Management Office	0.50	700,000	13/09/19 – 30/09/19	17	163.01
Debt Management Office	0.50	1,500,000	16/09/19 – 19/09/19	3	61.64
Santander UK plc	0.80	1,000,000	16/09/19 – 10/02/20	147	328.77
Principality Building Society	0.72	1,000,000	16/09/19 – 13/12/19	88	295.89
Debt Management Office	0.50	1,000,000	23/09/19 – 27/09/19	4	54.79
Debt Management Office	0.50	1,100,000	30/09/19 – 01/10/19	1	15.07

Appendix 4

Sub-total fixed lending					£24,843.54
-------------------------	--	--	--	--	------------

** These deposits were entered into during 2018-19, but interest accrued since 1 April 2019 relates to 2019-20.

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

Bank	Account terms	Interest Earned £
Barclays Bank plc	0.05% to 0.2% instant access	0.06
Clydesdale Bank	0.15% instant access/30 days' notice	0.69
Royal Bank of Scotland	0.15% instant access	0.94
Santander UK plc	0.40% instant access	34.16
Public Sector Deposit Fund	0.71% to 0.79% instant access	10,929.75
Lloyds plc 175-day notice	1.00% to 1.13% 175-day notice	11,442.11
Lloyds plc	0.65% current account	144.25
Lloyds plc Deposit account	0.65% instant access	1,358.08
Aberdeen Standard	0.68% to 0.74% instant access	8,736.40
Sub-total call accounts and money market funds		32,646.44
Grand total all lending		57,489.98

Temporary Borrowing 1 April to 30 September 2019:

Lender	Terms %	Amount lent £	Dates	Days lent in year	Interest paid in year £
Lloyds Bank	Base + 1%	63,533	Overdraft agreement	1	3.04

Teignbridge District Council Interim Performance Report for the Period 1 April to 30 September 2019

	Apr-Sep 2018-19	Apr-Sep 2019-20
(i) Short Term Funds Invested		
Interest received and receivable for the period	£40,472	£57,490
Maximum period of investment on any one loan made in the period	346 days	179 days
“Fixed” investment rates in period.	0.25% - 1.00%	0.50% - 0.89%
(ii) Short Term Funds Borrowed		
Interest paid and payable for the period	£34.52	£3.04
Number of new “fixed” loans borrowed in the period	1	0

Appendix 4

Maximum period of borrowing on any one “fixed” loan borrowed in the period.	3 days	0
“Fixed” borrowing rates.	0.42%	n/a
(iii) Average Net Interest Rate Earned	0.61%	0.81%
(iv) Average Short Term Net Lending	£13,254,937	£14,124,098

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.

The interest forecast is currently predicting a total net interest receivable for the year of £91,270. This compares to £102,965 in 2018-19. This forecast decrease is mainly due to a forecast increase in the Council’s borrowing requirement in the second half of the year due to items within the capital programme. However, this is dependent on the timing of the schemes proceeding as anticipated. During the first half of the year, there has been an increase both in the funds available for lending out (average daily lending is £14.1 million in 2019-20 compared to £13.3 million at the same stage in 2018-19 and average net interest rate achieved is 0.81% in 2019-20, compared to 0.61% at the same point in 2018-19). Average benchmark 7-day LIBOR rate to the end of September 2019 was 0.69%.

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.