

Teignbridge District Council Treasury Management Mid-Year Review 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 mid-year review of treasury management activities.

Activities Undertaken: Daily lending and borrowing from 1 April to 30 September 2018:

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
Thorrock 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

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

Bank	Account terms	Interest Earned £
Barclays Bank plc	0.32% instant access	1.48
Barclays 95-day notice	0.50% to 0.70% 95-day notice	2,422.87
Clydesdale Bank	0.10% 30 days' notice	0.27
Clydesdale Bank	0.35% instant access	86.46
Royal Bank of Scotland	0.05% instant access	0.24
Santander UK plc	0.25% to 0.40% instant access	929.73
Public Sector Deposit Fund	0.46% to 0.69% instant access	8,341.31
Lloyds plc 175-day notice	0.75% to 1.00% 175-day notice	5,255.31
Lloyds plc	0.40% to 0.65% current account	130.45
Lloyds plc Deposit account	0.40% to 0.65% instant access	2,315.74
Aberdeen Standard (formerly Standard Life)	0.41% to 0.62% instant access	5,679.55

Temporary Borrowing 1 April to 30 September 2018:

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
Interim Performance Report for the Period 1 April to 30 September 2018

	Apr-Sep 2017-18	Apr-Sep 2018-19
(i) Short Term Funds Invested		
Interest received and receivable for the period	£13,497	£40,472
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% - 1.00%
(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	0.26%	0.61%
(iv) Average Short Term Net Lending	£10,392,330	£13,254,937

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 £96,449.74. This takes into account the base rate rise on 2 August 2018 and compares to

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£39,839.52 in 2017-18. This forecast increase is mainly due to higher interest rates (an average of 0.61% for the first half of the year, compared to 0.26% in 2017-18), although there has also been an increase in the funds available for lending out (average daily lending is slightly higher in the first half of 2018-19 at £13.3 million compared to £10.4 million at the same stage in 2017-18). Average benchmark 7-day LIBID rate to the end of September 2018 was 0.52%.

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.