

TREASURY MANAGEMENT MONITORING DASHBOARD: 30 SEPTEMBER 2022

| | value | comparator | difference |
|--|-----------|------------|------------|
| 1 Gross loan debt | £m | £m | £m |
| at month end | 3,233 | | |
| year end Forecast (vs Plan) | 3,272 | 3,452 | -180 |
| year end Forecast (vs Pru Limit for loan debt) | 3,272 | 4,126 | -854 |

Forecast year end debt is currently below the year end plan. The Forecast year end debt is well within the prudential limit for loan debt, set for unplanned cashflow movements.

| | | | |
|---|-------|-------|-------|
| 2 short term borrowing | | | |
| at month end (vs Plan) | 304 | 563 | -259 |
| interest rate year to date on outstanding deals (vs assumption) | 1.68% | 1.00% | 0.68% |

Short term borrowing resumed in quarter 2 and is expected to increase further in the year, in line with the approved Strategy. Bank rate is expected to increase further having seen consecutive rises this year so future borrowing is likely to be above the planned rate.

| | | | |
|---|-------|-------|-------|
| 3 Treasury investments | | | |
| at month end (vs Plan) | 71 | 40 | 31 |
| interest rate year to date on outstanding deals (vs assumption) | 1.86% | 0.75% | 1.11% |

Treasury investments are on average closer to the target of £40m although Bank Rate rises throughout the year mean that investment yields are higher than planned.

| | | | |
|---|-------|-------|-------|
| 4 Long term loans taken | | | |
| year to date (vs Plan) | 25 | 90 | -65 |
| ave. interest rate obtained (vs assumption) | 4.02% | 2.35% | 1.67% |

The £25m PWLB loan taken in September 2022 has been at a higher rate than planned due to the rise in gilt yields on the back of successive Bank Rate increases by the Bank of England. However this has reduced some refinancing risk from future interest rate rises.

| | |
|---------------------------------------|-----|
| 5 Assurance | |
| were Credit criteria complied with? | yes |
| were investment defaults avoided? | yes |
| was the TM Code complied with? | yes |
| were prudential limits complied with? | yes |

These are key performance indicators for treasury management which in normal circumstances should all be yes. Investment quality is kept under continual review with support from the Council's treasury advisers.

Appendix C2

| Treasury Management: portfolio overview | | | |
|---|----------------|--|----------------|
| <i>This appendix summarises the Council's loan debt and treasury management investments outstanding</i> | | | |
| | this quarter | | last quarter |
| | 30/09/2022 | | 30/06/2022 |
| | £m | | £m |
| PWLB | 2,484.2 | | 2,489.2 |
| Bonds | 373.0 | | 373.0 |
| LOBOs | 71.1 | | 71.1 |
| Other long term | - | | 2.5 |
| Salix | 0.3 | | 0.3 |
| Short term | 304.5 | | 98.9 |
| | | | |
| Gross loan debt | 3,233.1 | | 3,035.0 |
| | | | |
| less treasury investments | (70.8) | | (61.2) |
| | | | |
| Net loan debt | 3,162.3 | | 2,973.8 |
| | | | |
| Budgeted year end net debt | 3,496.6 | | 3,496.6 |
| Prudential limit (gross loan debt) | 4,126.0 | | 4,126.0 |

Short term borrowing has increased in quarter 2 to meet the Council's borrowing requirements in line with the approved Strategy.

| Treasury investments by source | |
|---------------------------------------|------|
| | £m |
| UK Government | 0.0 |
| Money Market Funds | 62.5 |
| Banks and Building Societies | 8.3 |
| | |
| | |
| | 70.8 |

| Treasury investments by credit quality | | | |
|---|--|--|------|
| | | | £m |
| AAA | | | 0.0 |
| AAAmmf | | | 62.5 |
| AA | | | 8.3 |
| A | | | 0.0 |
| | | | |
| | | | 70.8 |

In line with the Strategy, the Council holds its treasury investments in diversified liquid funds of high credit quality.

Investments as Accountable Body

These are investments made as Accountable Body on behalf of others, and are not the Council's own money.

| | Getting Building Fund | Growing Places Fund | AMSCI | Regional Growth Fund | GBSLEP Fund | LGF3 | LGF4 | NMCL | Total |
|--------------------------------------|-----------------------|---------------------|-------|----------------------|-------------|------|------|------|-------|
| | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| UK Government | 2.3 | 0.0 | 30.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 32.4 |
| Birmingham City Council ¹ | 0.0 | 0.0 | 0.0 | 0.0 | 2.2 | 0.0 | 0.0 | 0.0 | 2.2 |
| Money Market Funds | 0.6 | 7.3 | 11.5 | 7.8 | 0.0 | 0.2 | 1.9 | 3.2 | 32.5 |
| | 2.9 | 7.3 | 41.6 | 7.8 | 2.2 | 0.2 | 1.9 | 3.2 | 67.1 |

¹ These funds have been lent to the Council by agreement at a commercial rate

Appendix C3

Treasury management: summary of delegated decisions in the quarter

This appendix summarises decisions taken under treasury management delegations to the Strategic Director of Council Management (Section 151 Officer) during the quarter.

| 1. Short term (less than 1 year) | borrowing | | investments |
|----------------------------------|-----------|--|-------------|
| | £m | | £m |
| | | | |
| opening balance | 99 | | -61 |
| new loans/investments | 333 | | -538 |
| loans/investments repaid | -128 | | 528 |
| closing balance | 304 | | -71 |

These loans and investments are for short periods from one day up to 365 days. Short term loans have increased to meet the Council's borrowing requirements, in line with the approved Strategy.

| 2. Long term borrowing: | | | | | |
|-------------------------|--------|--------------------------|----|-------|------------|
| date | lender | | £m | rate | maturity |
| 23/09/2022 | PWLB | Fixed Maturity Rate loan | 25 | 4.02% | 23/09/2032 |

Long term borrowing taken to reduce refinancing risk in an increasing interest rate environment.

| 3. Long term loans prematurely repaid: | | | | | |
|--|--------|--|----|------|----------|
| date | lender | | £m | rate | maturity |

*No long term loans were prematurely repaid.
In line with treasury management practices, the Council will repay long term loans prematurely if this provides a financial saving to the Council.*

| 4. Long term treasury investments made: | | | | | |
|---|----------|--|----|------|----------|
| date | borrower | | £m | rate | maturity |

No long term investments were made. The Council is a substantial net borrower and usually has cash to invest for relatively short periods.

Weighted average interest rate

| | | | |
|-------------------|--------------|----------------|--------------|
| 20,000,000 | 1.70% | 340,000 | |
| 5,000,000 | 1.45% | 72,500 | |
| <u>10,000,000</u> | <u>1.70%</u> | <u>170,000</u> | |
| 35,000,000 | | 582,500 | 1.66% |
| | | | |
| 45,000,000 | 1.67% | 752,400 | |
| 2,452,749 | 1.92% | 47,093 | |
| 47,452,749 | | 799,493 | 1.68% |