

TREASURY MANAGEMENT MONITORING DASHBOARD: SEPTEMBER 2018

	value	comparator	difference
1 gross loan debt	£m	£m	£m
at month end (actual)	3,331		
year end Forecast (vs Plan)	3,513	3,539	-27
year end Forecast (vs Pru Limit for loan debt*)	3,513	3,851	-338
<i>*monitoring of the full set of prudential indicators is reported quarterly to Cabinet</i>			
2 short term borrowing			
at month end (vs Guideline)	472	500	-28
interest rate year to date on outstanding deals (vs assumption)	0.76%	0.75%	0.01%
3 Treasury investments			
at month end (vs Guideline)	65	40	25
interest rate year to date on outstanding deals (vs assumption)	0.57%	0.45%	0.12%
4 Long term loans taken			
year to date (vs plan for year)	82	180	-98
ave. interest rate obtained (vs assumption)	2.32%	2.90%	-0.58%
£81.75m PWLB Loans taken to refinance £60m LoBo's plus premium, so net increase in L/T loans is £21.75m			
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		

Treasury Management: portfolio overview

This appendix summarises the council's loan debt and treasury management investments outstanding

	this quarter £m 30/09/2018	last quarter £m 30/06/2018
PWLB	2,328	2,246
Bonds	373	373
LOBOs	102	162
Other long term	56	59
Salix	0	0
Short term	472	460
Gross loan debt	3,331	3,300
less treasury investments	- 65	- 35
Net loan debt	3,265	3,265
Budgeted year end net debt	3,499	3,499
Prudential limit (gross loan debt)	3,851	3,851

Treasury investments by source

	£m
UK Government	0
Money Market Funds	47
Banks and Building Societies	18
Supply Chain finance	0
	65

Treasury investments by credit quality

	£m
AAA	0
AAAmmf	47
AA	14
A	4
	65

Investments as Accountable Body

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

	Growing Places Fund £m	AMSCI ¹ £m	Regional Growth Fund £m	Local Growth Fund £m	Total £m
UK Government	44	16	0		60
Birmingham City Council ²				11	11
Government Money Market Funds	5	7	0		12
Banks and Building Societies					0
	49	23	0	11	83

¹ Advanced Manufacturing Supply Chain Initiative

² These funds have been lent to the Council by agreement at a commercial rate

Treasury management: summary of delegated decisions in the quarter

This appendix summarises decisions taken under treasury management delegations to the Corporate Director of Finance and Governance during the quarter

1. Short term (less than 1 year)	borrowing	investments
	£m	£m
opening balance	460	-35
new loans/investments	790	551
loans/investments repaid	-778	-581
closing balance	472	-65

These loans and investments are for short periods from one day up to 365 days. There is therefore a rapid turnover of new loans.

2. Long term borrowing:

date	lender	£m	rate	maturity	
02-Aug	PWLB	27	2.24	02.08.28	10 years
02-Aug	PWLB	27	2.31	02.08.29	11 years
02-Aug	PWLB	27	2.41	02.08.31	13 years

3. Long term loans prematurely repaid:

date	lender		£m	rate	maturity	repurchase rate
02-Aug	RBS	LOBO	50	4.12	29.03.60	2.74
02-Aug	RBS	LOBO	10	4.16	12.09.78	2.71

4. Long term treasury investments made:

date	borrower	£m	rate	maturity
no long term investments made				

DEBT AND PRUDENTIAL INDICATORS

WHOLE COUNCIL

	18/19 Indicators £m	18/19 Forecast £m	19/20 Indicators £m	19/20 Forecast £m	20/21 Indicators £m	20/21 Forecast £m
Capital Finance						
1 Capital Expenditure - Capital Programme	476.9	453.5	268.5	476.7	257.2	444.1
2 Capital Expenditure - other long term liabilities	30.3	30.6	35.9	36.3	37.8	38.2
3 Capital expenditure	507.2	484.1	304.4	512.9	295.0	482.3
4 Capital Financing Requirement (CFR)	4,635.4	4,598.9	4,596.4	4,614.5	4,556.5	4,687.5
Planned Debt						
5 Peak loan debt in year	3,557.9	3,471.2	3,505.7	3,422.8	3,368.5	3,446.1
6 + Other long term liabilities (peak in year)	449.1	449.7	432.2	432.5	415.4	415.5
7 = Peak debt in year	4,007.0	3,920.9	3,937.9	3,855.3	3,783.9	3,861.6
8 does peak debt exceed year 3 CFR?	no	no	no	no	no	no
Prudential limit for debt						
9 Gross loan debt	3,851.0	3,471.2	3,767.9	3,422.8	3,733.4	3,446.1
10 + other long term liabilities	449.0	449.7	432.1	432.5	415.4	415.5
11 = Total debt	4,300.0	3,920.9	4,200.0	3,855.3	4,200.0	3,861.6

Notes

- 1 Forecast capital expenditure has increased since the indicator was set due to additions to the capital programme, as reported in the quarterly capital monitoring reports.
- 4 The Capital Financing Requirement represents the underlying level of borrowing needed to finance historic capital expenditure (after deducting debt repayment charges). This includes all elements of CFR including Transferred Debt.
- 5-7 These figures represent the forecast peak debt (which may not occur at the year end). The Prudential Code calls these indicators the Operational Boundary.
- 8 It would be a cause for concern if the City Council's loan debt exceeded the CFR, but this is not the case due to positive cashflows, reserves and balances. The Prudential Code calls this Borrowing and the Capital Financing Requirement.
- 11 The Authorised limit for debt is the statutory debt limit. The City Council may not breach the limit it has set, so it includes allowance for uncertain cashflow movements and potential borrowing in advance for future needs.

DEBT AND PRUDENTIAL INDICATORS

Appendix C4b

HOUSING REVENUE ACCOUNT

	18/19 Indicators £m	18/19 Forecast £m	19/20 Indicators £m	19/20 Forecast £m	20/21 Indicators £m	20/21 Forecast £m
Capital Finance						
1 Capital expenditure	131.0	110.5	111.7	139.2	124.4	126.3
HRA Debt						
2 Capital Financing Requirement (CFR)	1,058.1	1,050.9	1,045.1	1,037.8	1,036.2	1,028.9
3 Statutory cap on HRA debt	1,150.4	1,150.4	1,150.4	1,150.4	1,150.4	1,150.4
Affordability						
4 HRA financing costs	90.4	86.3	97.9	89.3	98.3	96.7
5 HRA revenues	277.2	277.6	273.1	273.1	278.4	278.4
6 HRA financing costs as % of revenues	32.6%	31.1%	35.8%	32.7%	35.3%	34.7%
7 HRA debt : revenues	3.8	3.8	3.8	3.8	3.7	3.7
8 Forecast Housing debt per dwelling	£17,335	£17,203	£17,331	£17,458	£17,376	£17,467

Notes

- 2-3 The HRA Capital Financing Requirement (CFR) is being used by the Government as the measure of HRA debt for the purposes of establishing a cap on HRA borrowing for each English Housing Authority.
- 4 Financing costs include interest, and depreciation rather than Minimum Revenue Provision (MRP), in the HRA.
- 7 This indicator is not in the Prudential Code but is a key measure of long term sustainability. This measure is forecast to fall below 2.0 by 2026/27, which is two years later than previously forecast.
- 8 This indicator is not in the Prudential Code but is a key measure of affordability: the HRA debt per dwelling should not rise significantly over time.

DEBT AND PRUDENTIAL INDICATORS

Appendix C4c

GENERAL FUND

	18/19 Indicators £m	18/19 Forecast £m	19/20 Indicators £m	19/20 Forecast £m	20/21 Indicators £m	20/21 Forecast £m
Capital Finance						
1 Capital expenditure (including other long term liabilities)	376.2	373.6	192.7	373.7	170.6	355.9
2 Capital Financing Requirement (CFR)	3,577.3	3,548.1	3,551.3	3,576.7	3,520.2	3,658.5
General Fund debt						
3 Peak loan debt in year	2,499.8	2,420.3	2,460.6	2,385.0	2,332.3	2,417.2
4 + Other long term liabilities (peak in year)	449.1	449.7	432.2	432.5	415.4	415.5
5 = Peak General Fund debt in year	2,948.9	2,870.0	2,892.8	2,817.5	2,747.7	2,832.7
General Fund Affordability						
6 Total General Fund financing costs	274.2	270.7	270.7	260.7	262.6	252.1
7 General Fund net revenues	855.2	855.2	824.6	824.6	845.9	845.9
8 General Fund financing costs (% of net revenues)	32.1%	31.7%	32.8%	31.6%	31.0%	29.8%
9 General Fund financing costs (% of gross revenues)	24.2%	24.1%	24.5%	24.0%	23.2%	23.3%

Note

- 4 Other long term liabilities include PFI, finance lease liabilities, and transferred debt liabilities.
- 6 Financing costs include interest and MRP (in the General Fund), for loan debt, transferred debt, PFI and finance leases.
- 8 This indicator includes the gross revenue cost of borrowing and other finance, including borrowing for the Enterprise Zone and other self-supported borrowing.
- 9 This is a local indicator measuring finance costs against relevant gross income including revenues from sales, fees, charges and rents, which are available to support borrowing costs.

PRUDENTIAL INDICATORS

Appendix C4d

TREASURY MANAGEMENT

	18/19 Indicators	18/19 Forecast	19/20 Indicators	19/20 Forecast	20/21 Indicators	20/21 Forecast	
Interest rate exposures							
	Limit	Maximum	Limit	Maximum	Limit	Maximum	
1	upper limit on fixed rate exposures	130%	84%	130%	88%	130%	89%
2	upper limit on variable rate exposures	30%	24%	30%	17%	30%	17%
Maturity structure of borrowing (lower limit and upper limit)							
	Limit	Forecast	Limit	Forecast	Limit	Forecast	
		Year End		Year End		Year End	
3	under 12 months	0% to 30%	18%	0% to 30%	16%	0% to 30%	15%
4	12 months to within 24 months	0% to 30%	1%	0% to 30%	1%	0% to 30%	1%
5	24 months to within 5 years	0% to 30%	5%	0% to 30%	4%	0% to 30%	4%
6	5 years to within 10 years	0% to 30%	12%	0% to 30%	12%	0% to 30%	16%
7	10 years to within 20 years	5% to 40%	24%	5% to 40%	23%	5% to 40%	21%
8	20 years to within 40 years	10% to 60%	36%	10% to 60%	38%	10% to 60%	38%
9	40 years and above	0% to 40%	4%	0% to 40%	6%	0% to 40%	4%
Investments longer than 364 days upper limit on amounts maturing in:							
	Limit	Forecast	Limit	Forecast	Limit	Forecast	
10	1-2 years	400	0	400	0	400	0
11	2-3 years	100	0	100	0	100	0
12	3-5 years	100	0	100	0	100	0
13	later	0	0	0	0	0	0

Note

1-9 These indicators assume that LOBO loan options are exercised at the earliest possibility, and are calculated as a % of net loan debt.