

TREASURY MANAGEMENT MONITORING DASHBOARD: SEPTEMBER 2020

	value	comparator	difference
1 Gross loan debt	£m	£m	£m
at month end	3,454		
year end Forecast (vs Plan)	3,655	3,832	-177
year end Forecast (vs Pru Limit for loan debt*)	3,655	4,085	-430

*monitoring of the full set of prudential indicators is reported quarterly to Cabinet

Forecast year end debt is well below the year end plan and prudential limit. This is partly because of increased capital programme slippage due to Covid and Covid grants received in advance. Considerable uncertainty remains about the impact of Covid on cashflows over the coming months.

2 short term borrowing			
at month end (vs Guideline)	505	600	-95
interest rate year to date on outstanding deals (vs assumption)	0.79%	1.50%	-0.71%

Short term borrowing resumed towards the end of the quarter as the Council utilised more of the COVID grants received in advance. Interest rates achieved for new short term borrowing are lower than anticipated in the Plan.

3 Treasury investments			
at month end (vs Guideline)	153	40	113
interest rate year to date on outstanding deals (vs assumption)	0.10%	1.01%	-1%

Investments remain significantly higher than the Strategy's guideline of £40m, due to the favourable cashflows noted in 1 above.

4 Long term loans taken			
year to date (vs plan for year)	35	415	-380
ave. interest rate obtained (vs assumption)	1.66%	4.20%	-2.54%

Very little long term borrowing has been taken in the year to date, due to favourable cashflows deferring the need for long term borrowing. £35m of planned long term borrowing was taken to support the funding of the advance payment of pension contributions in April.

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
	30/09/2020		30/06/2020
	£m		£m
PWLB	2,454.2		2,454.2
Bonds	373.0		373.0
LOBOs	71.1		71.1
Other long term	49.9		52.2
Salix	0.6		0.6
Short term	504.8		423.7
Gross loan debt	3,453.6		3,374.8
less treasury investments	(153.4)		(126.1)
Net loan debt	3,300.2		3,248.7
Budgeted year end net debt	3,792.0		3,792.0
Prudential limit (gross loan debt)	4,085.0		4,085.0

Long term loans remained relatively steady during Q2. The Council's short term loans started to increase in the final month of the quarter as the Council utilised COVID grants received in advance.

Treasury investments by source	
	£m
UK Government	25
Money Market Funds	123
Banks and Building Societies	5
	153

Treasury investments by credit quality			
£m			
AAA			25
AAAmmf			123
AA			5
A			0
			153

In line with the Strategy, the Council holds its treasury investments in liquid funds of high credit quality. The COVID grants received in advanced have been retained in liquid funds due to uncertainty over the timing of needs.

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	AMSCI	Regional Growth Fund	Local Growth Fund	LGF3	LOGRO	NMCL	Total
	£m	£m	£m	£m	£m	£m	£m	£m
UK Government	9	15	5	0	0	10	0	39
Birmingham City Council ¹	0	0	0	10	0	0	0	10
Money Market Funds	2	24	10	0	4	51	0	91
	11	39	15	10	4	61	0	140

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 Corporate Director of Finance and Governance during the quarter.

1. Short term (less than 1 year)	borrowing		investments
	£m		£m
opening balance	424		-126
new loans/investments	216		-617
loans/investments repaid	-135		590
closing balance	505		-153

These loans and investments are for short periods from one day up to 365 days. There has been a lower turnover in loans than normal due to the take up of new loans being delayed by remaining COVID grants received in advance. The value of transactions for investments has decreased from the first quarter as COVID grants have been utilised.

2. Long term borrowing:				
date	lender	£m	rate	maturity
20/04/2020	Cornwall Council	20	1.70%	20/04/2022
24/04/2020	Lancashire Fire Authority	5	1.45%	25/04/2022
24/04/2020	LB of Barking & Dagenham	10	1.70%	22/04/2022

Planned long term borrowing was taken to support the funding of the advance payment of pension contributions in April.

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 only repay long term loans prematurely if this provides a financial benefit 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.