

Treasury Management Update - Quarter 2 2023/24

The Council's main current account is held with Lloyds Bank and the current contract is due to expire on 9th February 2025.

PWLB Borrowing

As at 1 April 2023 the Authority's total outstanding PWLB debt amounted to £89,400,000.

The Council has not taken any new loans from the PWLB during the first six months.

At 30 September 2023 nothing has been repaid to the PWLB as no repayments were due.

The profile of the outstanding debt is analysed as follows:

PWLB Borrowing Term	Maturity Profile 30-Sep-23 £
12 Months	7,200,000
1-2 years	5,400,000
2-5 years	10,800,000
5-10 years	21,000,000
10-15 years	25,000,000
over 15 years	20,000,000
Total PWLB Debt	89,400,000

PWLB Interest

The total interest cost to the Council of the PWLB debt for 2023/24 is estimated at £3,093,156. This cost is split between the HRA and General Fund based on the level of debt outstanding. Interest paid to the PWLB in the six months was £1,560,800.

Temporary Borrowing

Cash flow monitoring and management identifies the need for short term borrowing to cover delays in the receipt of income during the year. No interest charges were incurred during the first six months on overdrawn bank balances. At 30 September 2023 the only temporary borrowing undertaken by the Council was £3,177,095 which is the investment balances held on behalf of Parish Councils.

Compliance with Treasury Limits

During the financial year the Council continues to operate within the treasury limits set out in the Council's Borrowing and Investment Strategy.

	Actual to Date 2023/24	Approved Limits 2023/24
Authorised Limit (Total Council external borrowing limit)	£128,736,976	£139,500,000
Operational Boundary	£128,736,976	£134,500,000

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Temporary Investments

Interest Received

The performance of the Council's investments is as follows:

	6 months Actual	6 months Budget	6 months Variance
Interest generated (£)	(832,479)	(327,722)	(504,758)
Average rate of interest	4.93%	4.00%	-
Bank of England base rate	4.75%	3.50%	-

The investments have been made in accordance with the Council's Treasury Management Strategy.

The Bank of England base rate is currently 5.25%. In the table above, the actual figure is the 6 month average rate and the budget figure is the base rate used when setting the budget.

Interest rates offered by most institutions still remain low and haven't yet caught up fully with the bank base rate increases.

The following tables show the investments and interest earned to 30 September 2023:

Investments on call

Counterparty	Balance at 1/4/23 £	Deposits £	Withdrawals £	Interest received £	Balance at 30/09/23 £
Aberdeen (MMF)	5,000,000	0	(118,492)	118,492	5,000,000
Federated (MMF)	5,000,000	0	(118,175)	118,175	5,000,000
Invesco (MMF)	5,000,000	0	(106,728)	106,728	5,000,000
CCLA (MMF)	5,000,000	0	(118,078)	118,078	5,000,000
Aviva (MMF)	5,000,000	3,000,000	(3,119,075)	119,075	5,000,000
SSGA (MMF)	5,000,000	6,500,000	(6,598,647)	98,647	5,000,000
BNP Paribas (MMF)	0	8,500,000	(3,613,575)	113,575	5,000,000
Blackrock (MMF)	0	11,500,000	(8,039,004)	39,004	3,500,000
	30,000,000	29,500,000	(21,831,774)	831,774	38,500,000