

## Treasury Management Update - Quarter 2 2020/21

The Council's main current account is held with Lloyds Bank and the current contract is due to expire on 30th April 2022.

### PWLB Borrowing

As at 1 April 2020 the Authority's total outstanding PWLB debt amounted to £99,100,000.

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

At 30 September 2020 £2,000,000 has been repaid to the PWLB.

The profile of the outstanding debt is analysed as follows: -

<b>PWLB Borrowing Term</b>	<b>Maturity Profile 30-Sep-20 £</b>
12 Months	0
1-2 years	5,700,000
2-5 years	14,600,000
5-10 years	22,800,000
10-15 years	24,000,000
over 15 years	30,000,000
<b>Total PWLB Debt</b>	<b>97,100,000</b>

### PWLB Interest

The total interest cost to the Council of the PWLB debt for 2020/21 is estimated at £3,474,355. 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 £1,747,850.

### 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. Minimal interest charges were incurred during the first six months on overdrawn bank balances (<£10). At 30 September 2020 the only temporary borrowing undertaken by the Council was £817,980 which is the investment balances held on behalf of Parish Councils.

### Compliance with Treasury Limits

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

	Actual to Date 2020/21	Approved Limits 2020/21
Authorised Limit (Total Council external borrowing limit)	£121,227,547	£126,688,000
Operational Boundary	£121,227,547	£121,688,000

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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 (£)	(121,145)	(104,958)	(16,187)
Average rate of interest	0.48%	0.68%	-
Bank of England base rate	0.10%	0.75%	-

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

The Bank of England base rate is currently 0.10%, the above actual figure is the 6 month average rate. The base rate was cut from 0.75% to 0.25% on 11th March and then from 0.25% to 0.10% on 19th March, both reductions were in light of the expected economic downturn due to the Coronavirus.

Interest rates offered by most institutions remain low.

The following tables show the investments and interest earned to 30 September 2020:

#### Investments on call

Counterparty	Balance at 1/4/20 £	Deposits £	Withdrawals £	Interest received £	Balance at 30/09/20 £
Aberdeen (MMF)	0	5,000,000	(5,953)	5,953	5,000,000
Federated (MMF)	3,500,000	6,500,000	(5,003,911)	3,911	5,000,000
Invesco (MMF)	0	14,000,000	(9,003,111)	3,111	5,000,000
SSGA (MMF)	0	9,000,000	(9,000,469)	469	0
CCLA (MMF)	5,000,000	0	(6,227)	6,227	5,000,000
Aviva (MMF)	0	5,000,000	(488)	488	5,000,000
JP Morgan (MMF)	0	4,000,000	(4,000,024)	24	0
Santander (Bank)	0	5,000,000	0	625	5,000,625
DMADF (Gov)	0	5,000,000	(5,000,010)	10	0
	<b>8,500,000</b>	<b>53,500,000</b>	<b>(32,020,193)</b>	<b>20,818</b>	<b>30,000,625</b>

## Fixed-term investments

Counterparty	Term of Loan	Balance at 1/4/20	Deposits	Withdrawals	Interest received at six months	No of Days Interest at six months	Balance at 30/09/20
		£	£	£	£		£
<b>Local Authorities</b>							
Thurrock Council (Unitary)	1 year	5,000,000		(5,008,815)	8,815	65	0
Conwy County Borough Council	9 months	2,500,000		(2,502,752)	2,752	49	0
West Dunbartonshire Council	1 year	5,000,000		(5,017,200)	17,200	91	0
Kingston Upon Hull	9 months	5,000,000		(5,009,863)	9,863	90	0
Monmouthshire County Council	8 months	5,000,000		(5,017,281)	17,281	91	0
Shirebrook Town Council	3 months	453,888		(454,027)	139	14	0
Flintshire County Council	9 months	5,000,000			30,082	183	5,030,082
Shirebrook Town Council	6 months	0	454,813		1,263	169	456,076
Thurrock Council (Unitary)	1 year	0	5,000,000		12,932	118	5,012,932
		27,953,888	5,454,813	(23,009,938)	100,327		10,499,090