

Title of Report:	Treasury Management Mid-Year Review
Committee Report Submitted To:	Finance Committee
Date of Meeting:	10 October 2024
For Decision or For Information	For information
To be discussed In Committee YES/NO	No

Linkage to Council Strategy (2021-25)	
Strategic Theme	Cohesive Leadership
Outcome	Council has agreed policies and procedures and decision making is consistent with them.
Lead Officer	Chief Finance Officer

Budgetary Considerations	
Cost of Proposal	
Included in Current Year Estimates	YES/NO
Capital/Revenue	Revenue
Code	
Staffing Costs	

Legal Considerations	
Input of Legal Services Required	YES/NO
Legal Opinion Obtained	YES/NO

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.1 Background

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

1.2 Detail

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. In addition, the Department for Communities (DfC) issued *Guidance on Local Authority Investments* in November 2019 that requires the Authority to approve an investment strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Finance Act (Northern Ireland) 2011* to have regard to both the CIPFA Code and the DfC Guidance.

1.3 Review

The purpose of this report is to provide a review of what has taken place in terms of Treasury Management within the Council so far during the 2024/25 financial year following on from the annual review of 2023/24 presented to Council in April 2024.

1.4 Borrowing

Council borrowing is used to fund various capital projects as approved by Council and as a result of this activity Council has an extensive portfolio of current loans. The table below shows a breakdown of these loans at the end of each of the last 4 quarters:

	Q3 – Dec 2023	Q4 – Mar 2024	Q1 – Jun 2024	Q2 – Sep 2024
Government loans	£44.1m	£41.97m	£41.97m	£39.9m
LOBO Loans	£2.0m	£2.0m	£2.0m	£2.0m
Other Commercial loans	£6.0m	£6.0m	£6.0m	£6.0m
Total Loans	£52.1m	£49.97m	£49.97m	£47.9m

Council continues to hold significant cash reserves therefore no new loans were borrowed during the year to date, Council instead utilising those reserves in the short term to finance capital expenditure thus avoiding incurring interest on loans. With interest rates now rising officers have assessed whether or not a change of strategy would be prudent to potentially draw down some of the longer terms loans, the advice

is currently still to utilize cash reserves and only borrow if necessary for the short term to avoid locking in potentially higher interest over the life of a longer-term loan.

1.5 Investments

Council has carried significant cash reserves into 2024/25 and despite the recent cut to interest rates there are still some decent returns to be gained with investment or lending. The table below details the cash held by Council at the end of each of the last 4 quarters up to the end of September 2024

	Q3 – Dec 2023	Q4 – Mar 2024	Q1 – June 2024	Q2 – Sept 2024
Cash Reserve	£2.1m	£3.9m	£1.5m	£1.1m

The next table details actual investments made by Council maturing during the current year and the returns associated with those investments, the figures above do not include these investments where the maturity date straddles a quarter end.

Investment	Date	Maturity	Amount	Yield
Central Bedfordshire	24 Oct 2024	24 Apr 2024	£2,500,000	£68,311.64
Antrim & Newtownabbey	20 Dec 2023	20 Jun 2024	£5,000,000	£129,102.74
Cheshire East Council	28 Feb 2024	29 Apr 2024	£2,000,000	£19,720.55
Wrexham County BC	15 Mar 2024	15 Apr 2024	£2,000,000	£10,616.44
Central Bedfordshire	24 Apr 2024	23 Aug 2024	£2,500,000	£43,510.27
Treasury Bill	16 Apr 2024	22 Apr 2024	£4,996,475.09	£3,524.91
Royal Borough of Greenwich	22 Apr 2024	22 May 2024	£3,000,000	£13,068.49
Treasury Bill	9 May 2024	3 Jun 2024	£3,488,119.37	£11,880.63
Treasury Bill	5 Jun 2024	10 Jun 2024	£2,997,868.64	£2,131.36
Treasury Bill	5 Jun 2024	17 Jun 2024	£1,497,444.91	£2,555.09
Treasury Bill	6 Jun 2024	17 Jun 2024	£1,497,657.50	£2,342.50
Treasury Bill	6 Jun 2024	24 Jun 2024	£2,992,341.25	£7,658.75
Treasury Bill	12 Jun 2024	24 Jun 2024	£1,996,834.61	£3,135.39
Antrim & Newtownabbey	20 Jun 2024	22 Jul 2024	£5,000,000	£22,794.52
Wirral Borough Council	24 Jun 2024	23 Aug 2024	£3,000,000	£25,742.47
Wrexham County BC	28 Jun 2024	5 Jul 2024	£1,000,000	£1,016.44
Treasury Bill	5 Jul 2024	22 Jul 2024	£997,997.99	£2,002.01
Treasury Bill	5 Jul 2024	15 Jul 2024	£998,992.25	£1,007.75
Treasury Bill	10 Jul 2024	22 Jul 2024	£1,996,573.55	£3,426.45
Antrim & Newtownabbey	22 Jul 2024	22 Aug 2024	£5,000,000	£21,869.86
Treasury Bill	1 Aug 2024	19 Aug 2024	£1,994,962.86	£5,037.18

Investment	Date	Maturity	Amount	Yield
Treasury Bill	7 Aug 2024	19 Aug 2024	£3,993,500.99	£6,499.01
Antrim & Newtownabbey	22 Aug 2024	23 Sep 2024	£5,000,000	£22,575.34
London Borough of Waltham Forest	23 Aug 2024	24 Feb 2025	£5,000,000	£120,123.29
Wirral Borough Council	23 Aug 2024	28 Oct 2024	£3,000,000	£26,038.36
Treasury Bill	4 Sep 2024	16 Sep 2024	£2,995,135.57	£4,864.43
Treasury Bill	6 Sep 2024	23 Sep 2024	£1,995,390.37	£4,609.63
Wrexham County BC	30 Sep 2024	23 Oct 2024	£5,000,000	£15,438.36
NE Lincolnshire Council	27 Sep 2024	27 Nov 2024	£2,000,000	£16,378.08
Deposit Account	1 Apr 2024	30 Sep 2024	Various	£30,409.34
Total				£647,391.28

1.6 Treasury Management Strategy

In line with Council's Treasury Management Strategy and despite the recent cut to interest rates Council will seek to continue making investments like those detailed in 1.5 above during the 2024/25 financial year where there are now sufficient returns to justify the action and whilst those returns are still likely to be modest they will still none the less provide an income stream to Council and assist to offset a little of the financial pressures currently being faced. The 2024/25 budget has included an estimated income from investments amounting to £461,000. In addition to those listed above Council has a longer term investment maturing in August 2025 yielding £99,726.03.