

Neath Port Talbot County Borough Council

Policy and Resources Cabinet Board

7 January 2016

Report of the Head of Financial Services – David Rees

Matters for Information

Wards Affected – All

TREASURY MANAGEMENT MONITORING 2015/16

1. Purpose of the Report

- 1.1 This report sets out treasury management action and information since the previous report.

2. Rates of Interest

- 2.1 Bank base rates remain at of 0.5% (since 5th March 2009) and detailed below are the changes in the bank base rate since April 2008.

Effective Date	Bank Rate
10 April 2008	5.00%
08 October 2008	4.50%
06 November 2008	3.50%
04 December 2008	2.00%
08 January 2009	1.50%
05 February 2009	1.00%
05 March 2009 to date	0.50%

- 2.2 The following table provides examples of external borrowing costs as provided by the Public Works Loans Board as at 1st December 2015:

	Equal Instalments of Principal		Annuity		Maturity	
	Previous 05Nov15	Current 01Dec15	Previous 05Nov15	Current 01Dec15	Previous 05Nov15	Current 01Dec15
	%	%	%	%	%	%
5-5.5 years	1.94	1.86	1.94	1.87	2.43	2.33
10-10.5 years	2.43	2.33	2.46	2.35	3.04	2.92
20-20.5 years	3.04	2.92	3.10	2.98	3.64	3.52
35-35.5 years	3.54	3.43	3.64	3.52	3.66	3.49
49.5-50 years	3.72	3.59	3.71	3.56	3.59	3.41

3. General Fund Treasury Management Budget

3.1 The following table sets out the treasury management budget for 2015/16 and consists of a gross budget for debt charges i.e. repayment of debt principal and interest, and interest returns on investment income.

2014/15 Outturn Position £'000		2015/16 Original Budget £'000	2015/16 Revised Budget £'000
16,964	Principal and Interest charges	17,230	17,484
246	Contribution to Treasury Management Equalisation Reserve to fund SSIP and other Capital Programme over the next 3 years.		
17,210	Subtotal Expenditure	17,230	17,484
	Investment Income		
(806)	- Total	(614)	(614)
227	- less allocated to other funds	210	210
(579)	Subtotal Income	(404)	(404)
16,631	Net General Fund	16,826	17,080

NB: Other funds include Trust Funds, Social Services Funds, Schools Reserves, Bonds etc.

4. Borrowing

- 4.1 There has been no further long term borrowing arranged since the previous report.

5. Investment Income

- 5.1 In line with the Council's Investment Strategy, the 2015/16 budget for investment income is £614,000; treasury management investment income generated on investments made to date is £499,000.

Members should note that the majority of investments are classified as 'specified' i.e. up to 12 months and are currently deposited with Local Authorities, UK banks including Barclays, Lloyds Group, Bank Santander, Clydesdale and Nationwide Building Society.

- 5.2 The Council policy will allow investments up to a maximum of £25m for periods of more than 1 year and up to 5 years, and this will be considered when decisions on investing surplus funds are made.
- 5.3 No additional long term investments have been carried out since the last report. The Council currently has £10m invested for periods in excess of 12 months:

Counterparty	Value £'000	Period	Maturity	Rate %
Eastbourne Borough Council	4,000	4.5 Years	June 18	2.2%
Peterborough City Council	6,000	5 Years	Dec 18	2.1%
TOTAL	10,000			

6. Financial Appraisal

The report is for information only. All relevant financial information is provided in the body of the report.

7. Equality Impact Assessment

An equality impact assessment was not required for this report.

8. Workforce Impacts

There are no workforce impacts arising from this report.

9. Legal Impacts

There are no legal impacts arising from this report.

10. Risk Management

There are no risk management issues arising from this report.

11. Consultation

There is no requirement under the Constitution for external consultation on this item.

12. Appendices

None

13. List of Background Papers

Treasury Management Files
PWLB Notice Number 467/15

14. Officer Contact

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