

**Treasury Management Activity April – June 2017/18****PWLB Borrowing**

The Council's total outstanding PWLB debt amounted to £155.451m at 1 April 2017. During the first quarter of 2017/18 nothing has been repaid to the PWLB so the balance at 30 June 2017 remains at £155.451m. During the current financial year no new loans have been taken out with the PWLB. The profile of the outstanding debt is analysed as follows: -

| <b>PWLB Borrowing</b>  | <b>Maturity Profile<br/>31 March 2017<br/>£'000</b> | <b>Maturity Profile<br/>30 June 2017<br/>£'000</b> |
|------------------------|---|--|
| <b>Term</b>            |   |  |
| 12 Months              | 1,302   | 1,302  |
| 1 - 2 years            | 3,303   | 3,303  |
| 2 - 5 years            | 3,813   | 3,813  |
| 5 - 10 years           | 21,429  | 21,429   |
| 10 - 15 years          | 20,467  | 20,467   |
| Over 15 years          | 105,137   | 105,137  |
| <b>Total PWLB Debt</b> | <b>155,451</b>                                      | <b>155,451</b>                                     |

**PWLB Interest**

The interest cost to the Council of the PWLB debt for 2017/18 is shown in the table below. The cost is split between the HRA and General Fund based on the level of debt outstanding within the CFR.

| <b>Date</b>                      | <b>Amount Paid to PWLB<br/>£'000</b> |
|----------------------------------|--------------------------------------|
| Less Accrued Interest re 2016/17 | (50)                                 |
| Plus Accrued Interest re 2017/18 | 1,431                                |
| <b>Total Paid</b>                | <b>1,381</b>                         |

**Temporary Borrowing**

Cash flow monitoring and management serves to identify the need for short term borrowing to cover delays in the receipt of income during the course of the year. During the current year to date short term borrowing from the Council's own bank hasn't incurred any interest charges. At the 30 June 2017 the Council had no temporary borrowing.

## Temporary Investments

The tables below detail the short term investments made during quarter 1 2017/18: -

| Bank Name                   | B/Fwd<br>01/04/17<br>£'000 | Invested<br>£'000 | Returned<br>£'000 | C/Fwd<br>30/06/17<br>£'000 |
|-----------------------------|----------------------------|-------------------|-------------------|----------------------------|
| Natwest                     | 0                          | 2,000             | (0)               | 2,000                      |
| Santander                   | 0                          | 9,000             | (9,000)           | 0                          |
| Federated                   | 5,000                      | 0                 | (0)               | 5,000                      |
| Standard Life               | 5,000                      | 0                 | (4,000)           | 1,000                      |
| Coventry Building Society   | 0                          | 1,250             | (0)               | 1,250                      |
| Nationwide Building Society | 0                          | 1,000             | (0)               | 1,000                      |
| West Dunbartonshire Council | 0                          | 4,000             | (0)               | 4,000                      |
| <b>Total</b>                | <b>10,000</b>              | <b>17,250</b>     | <b>(13,000)</b>   | <b>14,250</b>              |

From the table above it can be seen that the balance invested by the Council at 30 June 2017 is £14.250m. Work is currently being undertaken to maximise interest yield from investments without any real increase to risk and within the confines of the approved treasury management strategy. The table above shows an investment placed with West Dunbartonshire Council, a covered bond with Coventry Building Society and certificates of deposit with Coventry and Nationwide Building Societies. These investments have only very recently been placed so the benefits will begin to be realised during the course of the coming year.

Interest earned from the above temporary investments during quarter 1 2017/18 amounted to £6,621 and is detailed in the table below:-

| Bank Name                   | Interest<br>Receivable<br>£ |
|-----------------------------|-----------------------------|
| Nat West Bank               | (9)                         |
| Santander                   | (629)                       |
| Federated                   | (2,378)                     |
| Standard Life               | (2,504)                     |
| Coventry Building Society   | (862)                       |
| Nationwide Building Society | (140)                       |
| West Dunbartonshire Council | (99)                        |
| <b>Total</b>                | <b>(6,621)</b>              |

## Overnight Investments

The balance of the daily surplus funds can be placed as overnight investments with the Councils bank which is Lloyds. The maximum amount invested with Lloyds in the first quarter of the financial year was £4.247m. There has been no breach of the £5m limit set in the Treasury Management Strategy. The interest earned from daily balances to 30 June 2017 is £808.

## 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<br>2017/18<br>£'000 | Set Limits<br>2017/18<br>£'000 |
|---|----------------------------|--------------------------------|
| Authorised Limit (total Council external borrowing limit) | 163,972                    | 175,555                        |
| Operational Boundary                                      | 155,451                    | 170,555                        |