

Appendix 1

Treasury Management Indicators

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

1. Credit risk indicator	Target	Actual
Portfolio average credit rating	A	A+

Liquidity : The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling [three] month period, without additional borrowing.

2. Liquidity risk Indicator	Target	Actual
Total cash available within 3 months	£20.0m	£24.1m

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

3. Interest rate risk indicator	Limit	Actual
Upper limit on one-year revenue impact of a 1% rise in interest rates	£5.0m	£0.5m
Upper limit on one-year revenue impact of a 1% fall in interest rates	£5.0m	£0.5m

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Maturity structure of borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

4. Refinancing rate risk indicator	Upper Limit	Lower Limit	Actual Fixed Rate Borrowing as at 30/09/2020	% Fixed Rate Borrowing as at 30/09/2020	Compliance with Set Limits?
Under 12 months	40%	0%	95	19%	Yes
12 months and within 24 months	40%	0%	2	0%	Yes
24 months and within 5 years	40%	0%	20	4%	Yes
5 years and within 10 years	60%	0%	5	1%	Yes
10 years and within 20 years	75%	0%	31	6%	Yes
20 years and within 30 years	75%	0%	137	27%	Yes
30 years and within 40 years	75%	0%	214	42%	Yes
Over 40 years	75%	0%	5	1%	Yes

Time periods start on the first day of each financial year. LOBOs are classified as maturing on the next call date i.e. the earliest date that the lender can require repayment.

Principal sums invested for periods longer than a year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

The limits on the long-term principal sum invested to final maturities beyond the period end will be:

5. Principal sums invested for periods longer than a year:	Principal invested beyond 20/21 year end	Principal invested beyond 21/22 year end	Principal invested beyond 22/23 year end
Limit	£500m	£500m	£500m
Actual sums invested for longer than a year	£62m*	£62m*	£62m*

**The investment made is the equity element of the investment made in the Council's subsidiary company i4B Holdings Ltd that is also captured within the Council's capital programme.*