MONTHLY TREASURY MANAGEMENT BULLETIN

ISSUE NO.   **6/12**   **MONTH**   **September 2013**

The graphs below show the monthly averages of borrowing and investments outstanding, monthly cashflows and the average monthly cost/return on debt/investments, over a thirteen month period.

Graph 1

This graph shows the average monthly balance outstanding on long term debt, together with the average cost.

It also shows the amount of new long term debt raised and the repayment of long term borrowing. There has not been any new or repayment of long term debt during the past twelve momths

Graph 1 Long Term Debt Outstanding
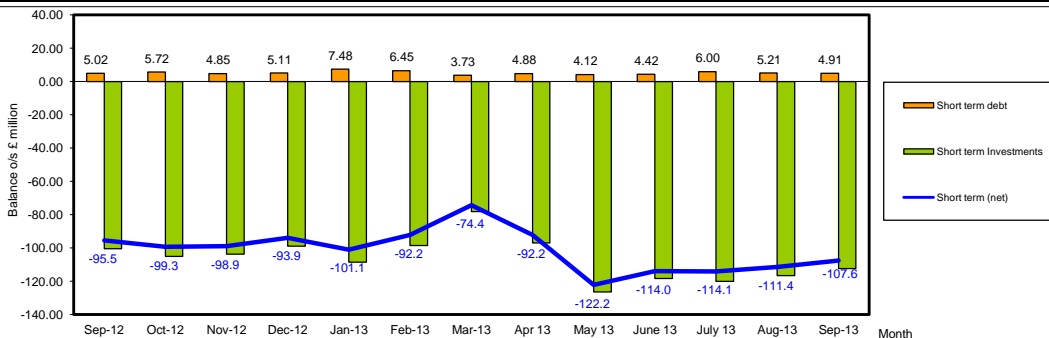Monthly averages
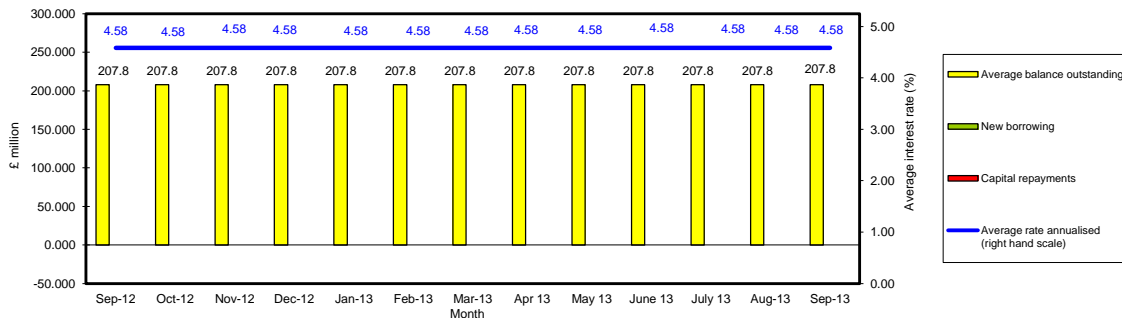
Graph 2

This graph shows the average monthly balance outstanding for:

 - short term debt

 - short term investments

The graph also shows the net monthly cash position, excluding long term borrowing

Short term debt includes the monies held on behalf of South Downs National Park Authority.

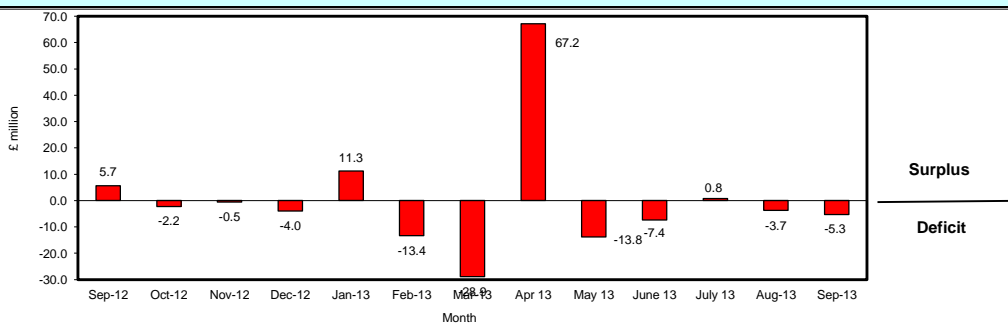### Graph 2 - Short Term Borrowing / Investments (all)
Monthly Averages

Graph 3

This graph shows the net monthly cash flow position, excluding movement in borrowing and investments.

Cashflow movements have resulted in a deficit for the month
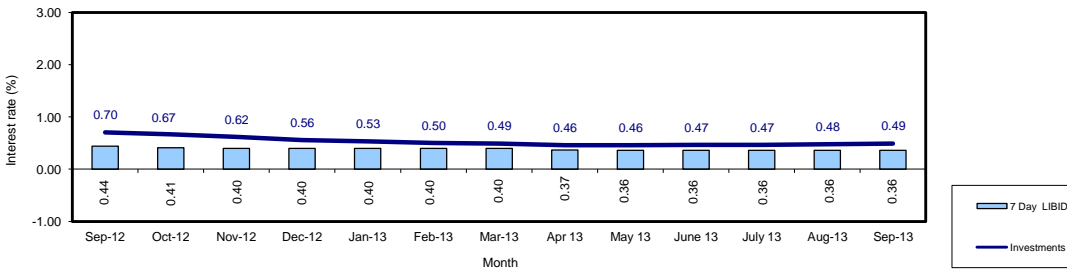
Graph 3 - Monthly Cash Flows

Graph 4a

This graph compares the average return on short term investments with the average 7 Day LIBID rate.

The target is for the return on short term investments to exceed the 7 Day rate by 5% in a 12 month period

In house investments continue to meet the target rate of return.

Graph 4a - Short Term Investments -v- 7 Day LIBID (In house)
Monthly averages - annualised (to 2 dec pl)

## Graph 4b

This graph compares the average return on the fund with a benchmark of 7 Day LIBID (compounded weekly).

The target is for the return on investment to exceed the benchmark rate by 5% in a 12 month period.

The cash manager performance fluctuates due to changes in the value of the investments. Performance has been equal to or above target levels in 11 of the past 12 months.

Graph 4b Short Term Investments -v- Benchmark Rate (Cash Managers)
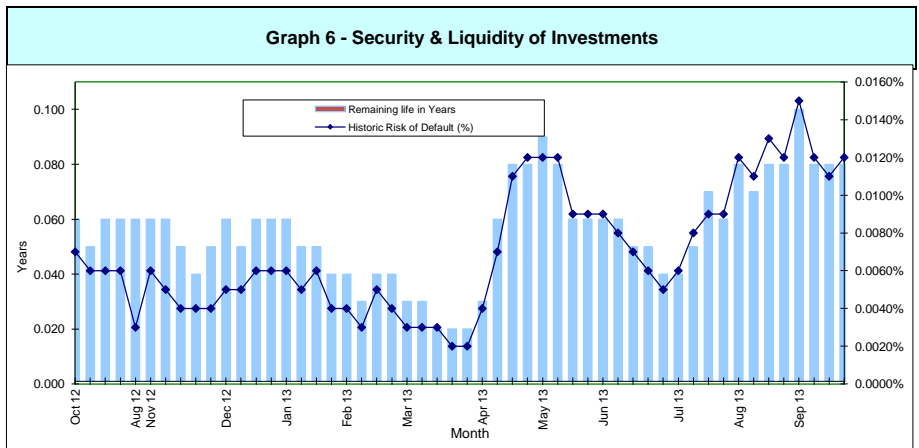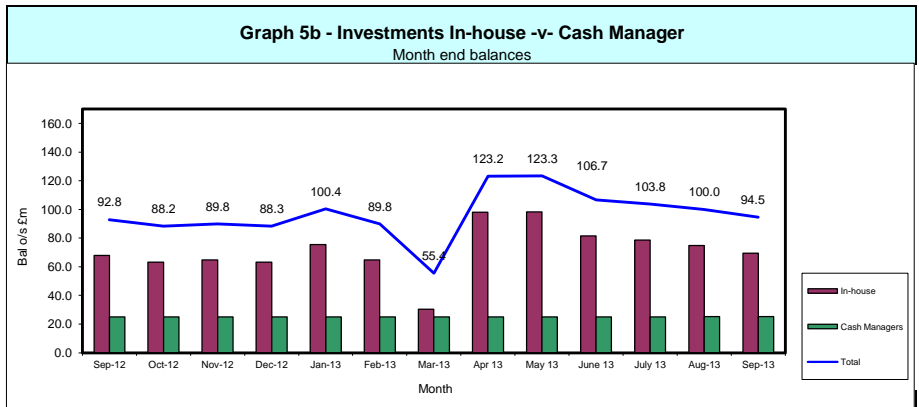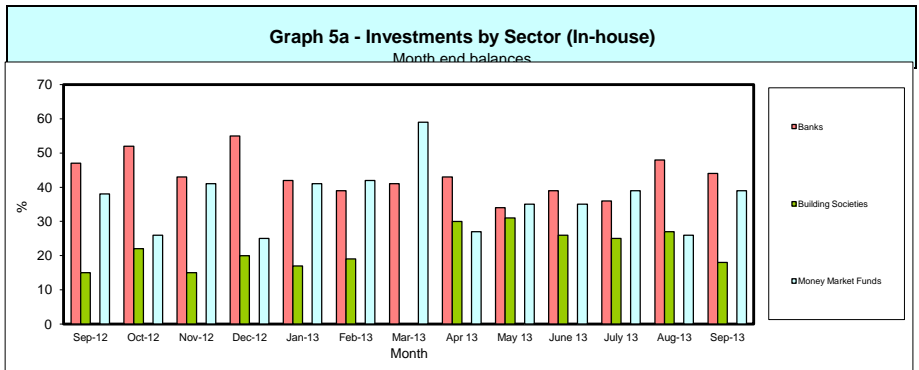Monthly actuals (to 2 dec pl)
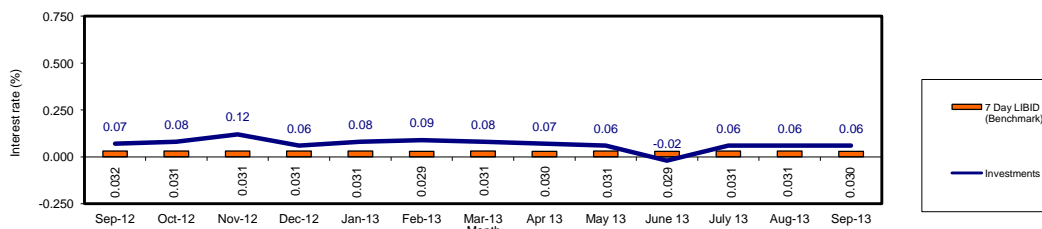
The 2013/14 Treasury Policy Statement states that with the exception of the banking sector and money market funds, no one sector shall have more than 75% of the investment portfolio at the time an investment is made. As at end of September 2013 investments were made as follows:-

	£m	
SWIP External Managers	25.165	
In-house Investments - Banks		
Barclays Bank	5.000	
Crown Agents Bank	1.000	
Lloyds Bank plc	10.000	
N M Rothschild & Sons Ltd	5.000	
Royal Bank of Scotland	4.186	
Santander UK plc	4.985	
	30.171	43.5 %
Money Market Funds		
CCLA - Public Sector Deposit Fund	1.405	
Goldman Sachs Funds Plc	0.586	
Ignis Liquidity Fund	9.670	
Morgan Stanley Sterling Liquidity Fund	9.958	
State Street services	0.201	
SWIP GLF	5.115	38.8 %
	26.935	
In-house Investments - Building Societies		
Nationwide Bldg Soc	2.250	
Skipton Bldg Soc	5.000	
Yorkshire Building Society	5.000	17.7 %
	12.250	
		100.0 %
TOTAL - In-house Investments	69.356	

Graph 6
Members agreed, as part of the 2013/14 Treasury Policy Statement, to set a maximum indicator for risk at 0.05%. Table 6 shows the risk factor to be well below the maximum set. Recent increases in the risk factor are due to lending for slightly longer periods with good quality counterparties to maintain investment returns as short-term rates in the market are falling.

Graph 5a - Investments by Sector (In-house)
Month end balances

Graph 5b - Investments In-house -v- Cash Manager
Month end balances

Graph 6 - Security & Liquidity of Investments

The Council sets each year a number of prudential indicators for treasury management. The following tables show that these indicators have not been exceeded in the month of September 2013.

Gross Outstanding Debt (£millions)

	Debt	PFI
Authorised limit	321	60
Operational boundary	309	60
Minimum o/s	208	-
Maximum o/s	208	-

Net Outstanding Debt (£millions)

	Debt	PFI
Minimum capital financing requirement	282	60
Maximum net debt o/s	113	-

Variable Rate Debt (%age)

Maximum limit	40.0
Maximum amount o/s	0.0

(NB. The maximum limit for underlined fixed rate debt is 100% and cannot therefore be breached.)

Debt Maturity Profile (%ages)

	<12 mths	1-2 yrs	2-5 yrs	5-10 yrs	>10 yrs
Maximum limit	40.0	40.0	50.0	75.0	100.0
Minimum limit	0.0	0.0	0.0	0.0	40.0
Maximum o/s debt	0.0	1.9	3.4	8.0	86.7