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| <b>Title of Report:</b>                    | <b>Treasury Management Review 2024 - 2025</b> |
| <b>Committee Report Submitted To:</b>      | <b>Finance Committee</b>                      |
| <b>Date of Meeting:</b>                    | <b>10 April 2025</b>                          |
| <b>For Decision or For Information</b>     | <b>For information</b>                        |
| <b>To be discussed In Committee YES/NO</b> | <b>No</b>                                     |

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

|   |  |
|---|--|
| <b>Estimated Timescale for Completion</b> |  |
| Date to be Completed                      |  |

|                                    |               |
|------------------------------------|---------------|
| <b>Budgetary Considerations</b>    |               |
| Cost of Proposal                   |               |
| Included in Current Year Estimates | <b>YES/NO</b> |
| Capital/Revenue                    | Revenue       |
| Code                               |               |
| Staffing Costs                     |               |

|                                  |               |
|----------------------------------|---------------|
| <b>Legal Considerations</b>      |               |
| Input of Legal Services Required | <b>YES/NO</b> |
| Legal Opinion Obtained           | <b>YES/NO</b> |

|  |  |        |       |
|--|--|--------|-------|
| <b>Screening Requirements</b>            | 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 during the 2024/25 financial year following on from the mid-year review of 2024/25 presented to Council in October 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:

|                        | Q1 – Jun 2024 | Q2 – Sep 2024 | Q3 – Dec 2024 | Q4 – Mar 2025 |
|------------------------|---------------|---------------|---------------|---------------|
| Government loans       | £41.97m       | £39.9m        | £41.97m       | £37.9m        |
| LOBO Loans             | £2.0m         | £2.0m         | £2.0m         | £2.0m         |
| Other Commercial loans | £6.0m         | £6.0m         | £6.0m         | £6.0m         |
| Total Loans            | £49.97m       | £47.9m        | £49.97m       | £45.9m        |

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 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 March 2025

|              | Q1 – June 2024 | Q2 – Sept 2024 | Q3 – Dec 2024 | Q4 – Mar 2025 |
|--------------|----------------|----------------|---------------|---------------|
| Cash Reserve | £1.5m          | £1.1m          | £2.4m         | £6.5m         |

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 2023 | 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   |

| <b>Investment</b>                      | <b>Date</b> | <b>Maturity</b> | <b>Amount</b> | <b>Yield</b>       |
|--|-------------|-----------------|---------------|--------------------|
| 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         |
| Wirral Borough Council                 | 18 Oct 2024 | 21 Nov 2024     | £3,000,000    | £13,972.60         |
| Wirral Borough Council                 | 21 Nov 2024 | 21 Jan 2025     | £3,000,000    | £24,817.81         |
| London Borough of Barking and Dagenham | 19 Nov 2024 | 19 Feb 2025     | £3,000,000    | £38,186.30         |
| City of Bradford                       | 27 Nov 2024 | 27 Jan 2025     | £2,500,000    | £21,099.32         |
| Treasury Bill                          | 11 Dec 2024 | 16 Dec 2024     | £4,996,827.36 | £3,172.64          |
| Blackpool Borough Council              | 20 Dec 2024 | 20 Feb 2025     | £2,000,000    | £17,835.62         |
| Treasury Bill                          | 8 Jan 2025  | 20 Jan 2025     | £998,461.11   | £1,538.89          |
| Treasury Bill                          | 8 Jan 2025  | 20 Jan 2025     | £1,996,914.36 | £3,085.64          |
| Treasury Bill                          | 13 Mar 2025 | 24 Mar 2025     | £3,495,365.05 | £4,634.95          |
| Deposit Account                        | 1 Oct 2024  | 31 Mar 2025     | Various       | £34,637.28         |
| <b>Total</b>                           |             |                 |               | <b>£810,372.33</b> |

## 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 2025/26 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 2025/26 budget has included an estimated income from investments amounting to £600,000. In addition to those listed above Council has a number of investments maturing during 2025/26 yielding a combined total of £271,197.26.