



Committee	Audit and Governance Committee
Date	08/07/2024
Subject	Treasury Management 2023/24 Outturn & 2024/25 Quarter 1 Report
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money
Report Author(s)	Julian Sturman Specialist Accountant – Capital & Treasury Management julian.sturman@eastsoffolk.gov.uk
Head of Service	Lorraine Rogers Chief Finance Officer and Section 151 Officer lorraine.rogers@eastsoffolk.gov.uk
Director	Chris Bally Chief Executive chris.bally@eastsoffolk.gov.uk

Key Decision?	No
Is the report Open or Exempt?	OPEN

Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	N/A
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Purpose/Summary

The Treasury Management Policy Statement for 2023/24 requires an Outturn report and the Treasury Management Policy Statement for 2024/25 requires quarterly reporting on the Treasury Management function to be produced. These reports are to ensure compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code. The report reviews performance of the treasury management function for 2023/24 and quarter 1 of 2024/25.

Recommendation(s)

That the Audit & Governance Committee

1. Approve the 2023/24 Outturn and Quarter 1 2024/25 Report on the Council's Treasury Management activity.

Strategic plan

How does this proposal support Our Direction 2028?

Environmental Impact	The Council has committed to delivering positive climate, nature and environmental impacts through the decisions we make and the actions we take. Ensuring the Councils cashflows are invested securely to support the Councils overall budget position which includes delivering environmental plans and actions of the Strategic Direction, ensuring where possible that environment and energy efficient processes, materials and equipment are used in the Councils spending plans. The Council has placed funds in a Green Deposits account which supports the environmental agenda. Investments in the fund are earmarked against green assets to support green projects.
Sustainable Housing	Ensuring the Councils cashflows are invested securely to support the commitments of both the General Fund and Housing Revenue Account specifically the commitment to sustainable housing.
Tackling Inequalities	Ensuring the Councils cashflows are sufficient to support the Councils budget position to provide a programme of actions to tackling inequalities in the district.
Thriving Economy	Ensuring the Councils cashflows are sufficient to support the Councils budget position providing economic development and regeneration activity and in turn enabling residents of East Suffolk to benefit from and contribute to a thriving economy. Specifically, the Council is committed to delivering the Towns Fund Deal project including the regeneration of the Towns Seafont.
Our Foundations / governance of the organisation	At the heart of the Treasury strategies is good financial management and governance which underpins the Councils spending commitments within the Councils Medium Term Financial Strategy (MTFS).

Justification for recommendations

1. Background

1.1. The CIPFA Prudential code requires quarterly reporting of the Treasury Management function to the Audit & Governance Committee along with an Outturn report for the previous financial year.

2. Introduction

2.1. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has both an investment and borrowing portfolio 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 Council's prudent financial management.

2.2. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code).

3. Proposal

3.1. 2023/24 Outturn Summary:

- East Suffolk Council's short-term Investments totalled £61m, long term investments totalled £19.56m and liquidity investments totalled £27.2m as at 31st March 2024
- Total Investments as at 31st March 2024 were £107.76m.
- Interest received on investment balances during the year totalled £5.4m against an original budget of £1.68m.
- East Suffolk Council operated within its approved Prudential Indicator Limits for 2023/24.

3.2. Borrowing:

3.3. During 2023/24 the Council did not enter any new external borrowing arrangements.

3.4. The Council's loan portfolio for 2023/24 can be seen in the table below and is summarised by £60.40m attributable to the HRA which includes £58m of Self-Financing loans taken out in 2011/12 and £5.09m of General Fund loans.

Loans as at 31 st March 2024	Principal £m	Rate Range %	Maturity Range (years)
PWLB Fixed Rate Maturity/Equal Instalments of Principal Loans	65.49	3.01 - 8.38	0.5- 31.0
Total	65.49	3.01 - 8.38	0.5 - 31.0

3.5. Investment Activity:

3.6. The average cash balances held during the year was £113.27m with investment income received of £5.4m which exceeded the planned original budget of £1.68m. This is due to increased rates fuelled by the high Bank of England base rate and competition in the Local-to-Local Authority market.

	Balance at 1 st April 2023	Investment made	Investments repaid	Balance at 31 st March 2024
INVESTMENTS	£m	£m	£m	£m
Term Investments (liquidity & term <60 months)	112.89	285.00	-301.11	96.78

3.7. Details of the Councils investment balances at 31st March 2024 are shown in the table below.

Counterparty	Type of investment	Principal Balance	Duration	Start Date	Effective Maturity	Interest Rate
Bank 1	Instant Access	12,203,000	Overnight	N/A	N/A	2.10%
Bank 2	Instant Access	5,000,000	Overnight	N/A	N/A	3.50%
		17,203,000				
DMO	Fixed Term	6,000,000	1 Month	28/03/2024	30/04/2024	5.19%
DMO	Fixed Term	6,000,000	2 Months	28/03/2024	31/05/2024	5.17%
		12,000,000				
Local Authority - London Borough of Newham	Fixed Term	5,000,000	9 months	31/07/2023	30/04/2024	5.60%
Local Authority - Ashford Borough Council	Fixed Term	5,000,000	7 months	27/09/2023	29/04/2024	5.55%
Local Authority - Southampton City Council	Fixed Term	5,000,000	8 months	01/09/2023	09/05/2024	5.80%
Local Authority - Uttlesford District Council	Fixed Term	5,000,000	298 days	21/09/2023	15/07/2024	5.80%
Local Authority - Plymouth City Council	Fixed Term	5,000,000	9 months	10/11/2023	12/08/2024	5.55%
Local Authority - Uttlesford District Council	Fixed Term	4,000,000	8 months	13/11/2023	15/07/2024	5.60%
Local Authority - Aberdeen City Council	Fixed Term	5,000,000	6 months	11/12/2023	11/06/2024	5.60%
Local Authority - Stockport Metropolitan Borough Council	Fixed Term	5,000,000	6 months	29/01/2024	01/08/2024	5.50%
Local Authority - Uttlesford District Council	Fixed Term	5,000,000	6 months	21/02/2024	21/08/2024	5.90%
Local Authority - Aberdeen City Council	Fixed Term	5,000,000	9 months	11/03/2024	11/12/2024	6.00%
		49,000,000				
Money Market Fund (MMF)	Instant Access	10,000,000	Overnight	N/A	N/A	5.26%
		10,000,000				
Pooled Property Fund 1	Notice - Long Term	8,682,877	N/A	29/11/2017	N/A	4.13%
Pooled DIF 1	Notice - Long Term	4,775,638	N/A	25/11/2019	N/A	3.32%
Pooled DIF 2	Notice - Long Term	4,485,468	N/A	17/10/2019	N/A	4.52%
		17,943,983				
East Suffolk Services Ltd		1,620,000	10 years	02/03/2023	02/03/2033	7.35%
		1,620,000				
		107,766,983				

Note: DMO deposits are Freeport East Seed Funding Grant held by ESC as accountable body
East Suffolk Services Loan is held on the Councils balance sheet as a Long Term debtor

3.8. Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2023/24.

3.9. Investments during the year included call accounts, deposits with UK Banks and Building Societies and Local Authorities, CCLA and NinetyOne. During the year there were no investments placed with counterparties outside of the UK. Externally Managed Pooled Funds: £17.94m of investments are held in externally managed strategic pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability.

3.10. Compliance with Prudential Indicators:

3.11. The Council complied with its Prudential Indicators for 2023/24, these were approved by Full Council on 25th January 2023. The Prudential Indicators for 2023/24 can be found at Appendix A.

3.12. 2024/25 Quarter 1 Summary:

- Total investments at 30th June 2024 totalled £108.56m
- These investments are summarised as Short-term Investments £59m, Long-term Investments £19.56m and Liquidity Investments £30m.
- Interest on Investments to 30th June 2024 totalled £0.7m.

3.13. The Council's counterparty list (investment list) is continuously reviewed and updated taking into account published credit rating information, financial accounts, share prices, asset size, Government support and information from the Council's Treasury Advisors, Arlingclose.

3.14. Investment Portfolio 2024/25:

3.15. CIPFA revised TM Code defines treasury management investments as 'those which arise from the Authority's cash flows or treasury risk management activity that represents balances which need to be invested until the cash is required for use in the course of business.

3.16. The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During this quarter, the Council's investment balances ranged between £95.71m and £119.89 million due to timing differences between income and expenditure. The investment position is shown in table below.

	1st April 2024 £m	1st April Interest Rate %	30th June 2024 £m	30th June Interest Rate %
Call Accounts (Liquidity Funds)	20.10	0.08% - 0.10%	20.00	2.10% - 3.50%
Money Market Funds	10.00	5.26%	10.00	5.26%
Term Investments: upto 12 months	61.00	5.17% - 6.00%	59.00	5.18% - 6.00%
Term Investments: over 12 months	1.80	7.35%	1.62	7.35%
Property Investment Fund	8.68	4.13%	8.68	4.13%
Multi Asset Fund	9.26	3.32% - 4.52%	9.26	3.32% - 4.52%
Total	110.84		108.56	

3.17. Inter Local Authority investments have maintained in high yield during the first quarter of 2024/25.

3.18. The table below details the local authority and Central Government investments at 30th June 2024

DMO (Central Government) Investments - Short Term

	<u>Amount</u>	<u>Duration</u>	<u>Start Date</u>	<u>End Date</u>	<u>Rate</u>
DMO	6,000,000	2 months	31/05/2024	30/09/2024	5.18%
DMO	6,000,000	3 months	30/04/2024	31/07/2024	5.18%
	<u>12,000,000</u>				

Local Authority Investments - Short Term

	Amount	Duration	Start Date	End Date	Rate
Uttlesford District Council	5,000,000	10 months	21/09/2023	15/07/2024	5.80%
Uttlesford District Council	4,000,000	8 months	13/11/2023	15/07/2024	5.60%
Stockport Metropolitan Borough Council	5,000,000	6 months	29/01/2024	01/08/2024	5.50%
Plymouth City Council	5,000,000	9 months	10/11/2023	12/08/2024	5.55%
Uttlesford District Council	5,000,000	6 months	21/02/2024	21/08/2024	5.90%
Aberdeen City Council	5,000,000	6 months	11/06/2024	11/12/2024	5.30%
Aberdeen City Council	5,000,000	9 months	11/03/2024	11/12/2024	6.00%
Gravesham Borough Council	5,000,000	8 months	26/04/2024	20/12/2024	5.35%
Liverpool City Council	5,000,000	1 year	25/04/2024	24/04/2025	5.30%
Babergh District Council	3,000,000	1 year	13/05/2024	12/05/2025	5.20%

3.19. The interest on investments to the 30th June totals £0.70m against an original budget of £3.1m for 2024/25.

3.20. **Borrowing:** PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council therefore avoids this activity in order to retain its access to PWLB loans.

3.21. As outlined in the treasury strategy, the Councils chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Councils long-term plans change being a secondary objective. The Councils borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

3.22. The PWLB borrowing rates for the period April to June 2024 are shown below.

	1st April 2024	30th June 2024
1-year PWLB certainty rate, maturity loans	4.69%	4.83%
5-year PWLB certainty rate, maturity loans	4.00%	4.30%
10-year PWLB certainty rate, maturity loans	4.06%	4.32%
20-year PWLB certainty rate, maturity loans	4.49%	4.71%
50-year PWLB certainty rate, maturity loans	4.32%	4.53%

3.23. No new additional external borrowing was taken out during the period to the 30th June 2024. In line with the current loan portfolio repayment terms an £80k repayment was made during in May 2024.

	1st April 2024 Principal £m	Repayments during Q1 £m	30 June 2024 Principal £m
PWLB Fixed Rate Maturity/EIP Loans	65.48	-0.08	65.40

3.24. **Compliance:** The Chief Finance Officer reports that all treasury management activities undertaken during the quarter complied fully with the principles in the TM Code and the Councils approved Treasury Management Strategy.

	2024/25 Quarter 1	2024/25 Operational Boundary	2024/25 Authorised Limit	Complied? Yes/No
Borrowing	£65.40m	£173m	£175m	Yes

3.25. Compliance with specific investment limits is demonstrated in the table below.

	2024/25 Q1 Maximum	30th June 2024	2024/25 Limit per Counterparty	Complied Yes/No
Any single organisation, except the UK Government	£525m	£59m	£25m	Yes
Unsecured investments with building societies	£15m	£0	£15m	Yes
Money Market Funds	£20m	£10m	£20m	Yes
Strategic Pooled funds	£60m	£17.94m	£20m	Yes
Subsidiaries	£10m	£1.62m	£10m	Yes

3.26. The Authority measures and manages its exposures to treasury management risks using the following indicators.

3.27. Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score 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.

	30th June 2024	2024/25 Target	Complied Yes/No
Portfolio average credit score	4.8	4	Yes

3.28. 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.

	30th June 2024	2024/25 Target £m	Complied Yes/No
sums subject to variable interest rates:			
Total cash available within 3 months	44.00	30.00	Yes

3.29. Principal Sums Invested for Periods Longer than a year: The purpose of this indicator is to control the Councils exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested with banks, building societies, local authorities and subsidiaries beyond the period end were:

Price risk indicator Q1	2024/25	2025/26	2026/27	2027/28
Limit on principal invested beyond year end	£5.0m	£5.0m	£5.0m	£5.0m
Actual principal invested beyond year end	£1.8m	£0	£0	£0
Complied	Yes	Yes	Yes	Yes

- 4. Financial Implications**
 - 4.1. The management of the Councils Treasury Management functions feeds directly into the Councils Medium Term Financial Strategy (MTFS).
- 5. Legal Implications**
 - 5.1. There are no legal implications for this report.
- 6. Risk Implications**
 - 6.1. Non-compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA's) Prudential Code.
- 7. Options**
 - 7.1. To comply with the CIPFA Prudential code the report is required to be produced and presented to members, and consequently, no other options have been considered.
- 8. Recommendations**
 - 8.1. That the Audit & Governance Committee approves the 2024/25 quarter 1 and the 2023/24 Outturn report on the Council's Treasury Management activity.
- 9. Reasons for Recommendations**
 - 9.1. Approval of the quarterly Treasury Management activity by the Audit & Governance Committee is a requirement under the CIPFA Prudential Code.
- 10. Conclusions/Next Steps**
 - 10.1 The quarterly and outturn report will be reported to Full Council as part of the annual Treasury Management report as appendices when the report is compiled for 2025/26 in January/February 2025.

Areas of consideration comments

Section 151 Officer comments:

The report complies with the required CIPFA prudential code ensuring that the Treasury Management activity for the Council is reviewed by an appropriate Committee.

Monitoring Officer comments:

This report complies with the Council's Constitution which requires the review and monitoring of the Council's Treasury Management policies and practices by the Council's Audit and Governance Committee.

Equality, Diversity and Inclusion/EQIA:

There are no direct implications arising from this report.

Safeguarding:

There are no direct implications arising from this report.

Crime and Disorder:

There are no direct implications arising from this report.

Corporate Services implications:

There are no direct implications arising from this report.

Residents and Businesses consultation/consideration:

There are no direct implications arising from this report.

Appendices:

Appendix A	Prudential Indicators Outturn position for 2023/24
Appendix B	East Suffolk Council Treasury Management Statistics 2019/20 to 2023/24

Background reference papers:

None

East Suffolk Council - Compliance with Prudential Indicators 2023/24

1 ESTIMATED AND ACTUAL CAPITAL EXPENDITURE

- 1.1 This indicator is set to ensure that the level of proposed investment in capital assets remains within sustainable limits and to consider the impact on the Council Tax and in the case of the HRA, housing rent levels.

	2023/24	2023/24	2023/24
	Estimated £m	In Year Forecast	Outturn £m
Capital Expenditure			
Non-HRA	113.11	46.73	35.93
HRA	34.85	14.17	15.11
Total Capital Expenditure	147.96	60.90	51.04

- 1.2 The £10.8m variance on non-HRA and the £0.94m HRA variance relates to programme delivery being deferred until 2023/24. These are reported as part of the Councils Outturn report for 2023/24.

2 ESTIMATED AND ACTUAL RATIO OF FINANCING COSTS TO NET REVENUE STREAM

- 2.1 This is an indicator of affordability and demonstrates the revenue implications of capital investment decisions by highlighting the proportion of the revenue budget required to meet the borrowing costs associated with capital spending. The financing costs include existing and proposed capital commitments. Any increase in the percentages requires an increased contribution from the revenue account to meet the borrowing cost. The variances are primarily related to how the expenditure has been financed, with both the non-HRA and HRA benefiting from increased external financing and Reserve financing.

	2023/24	2023/24
	Estimated %	Outturn %
Ratio of Financing Costs to Net Revenue Stream		
Non-HRA	5.10	12.56
HRA	14.78	22.65

3 CAPITAL FINANCING REQUIREMENT

- 3.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. In order to ensure that over the medium-term net borrowing will only be for a capital purpose, the Council ensures that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years.

3.2 The Council met this requirement in 2023/24.

	2023/24	2023/24
	Estimated £m	Outturn £m
Capital Financing Requirement		
Non-HRA	85.03	76.38
HRA	59.44	59.44
Total	144.47	135.82

4 AFFORDABLE BORROWING LIMIT, AUTHORISED LIMIT AND OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

4.1 **Authorised Limit:** This is the maximum amount of external debt that can be outstanding at one time during the financial year. The limit, which is expressed gross of investments, is consistent with the Council's existing commitments, proposals for capital expenditure and financing and with its approved treasury policy and strategy and provides headroom over and above for unusual cash movements. This limit was set at £175m for 2023/24, with the actual total borrowing being £65.48m.

4.2 **Operational Boundary:** This limit is set to reflect the Council's best view of the most likely prudent (i.e., not worst case) levels of borrowing activity and was set at £173m for 2023/24 with the actual borrowing amount being £65.48m.

4.3 The levels of debt are measured on an ongoing basis during the year for compliance with the Authorised Limit and the Operational Boundary. The Council maintained its total external borrowing and other long-term liabilities within both limits.

5 UPPER LIMITS FOR FIXED INTEREST RATE EXPOSURE AND VARIABLE INTEREST RATE EXPOSURE

5.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The exposures are calculated on a net basis, i.e., fixed rate debt net of fixed rate investments. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	2023/24	2023/24
	Estimated %	Outturn %
Upper Limit for Fixed Rate Exposure	100	100
Upper Limit for Variable Rate Exposure	50	0

6 MATURITY STRUCTURE OF FIXED RATE BORROWING

6.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period and in particular in the course of the next ten years.

6.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Maturity structure of fixed rate borrowing	Upper limit %	Lower limit %	Actual Borrowing as at 31 March 2024 £m	Percentage of total as at 31 March 2024 %
under 12 months	50	0	2.0	3
1 year and within 2 years	50	0	10.0	15
2 years and within 5 years	75	0	10.0	15
5 years and within 10 years	75	0	40.48	62
10 years and within 20 years	75	0	3.0	5
20 years and above	100	0	0	0

6.3 All borrowing has been taken in conjunction with advice from the Council's Treasury Management Advisors.

7 TOTAL PRINCIPAL SUMS INVESTED FOR PERIODS LONGER THAN 364 DAYS

7.1 The Council has £8.68m invested in a long-term property fund, £9.26m invested in long-term multi asset income fund £1.64m with East Suffolk Services.

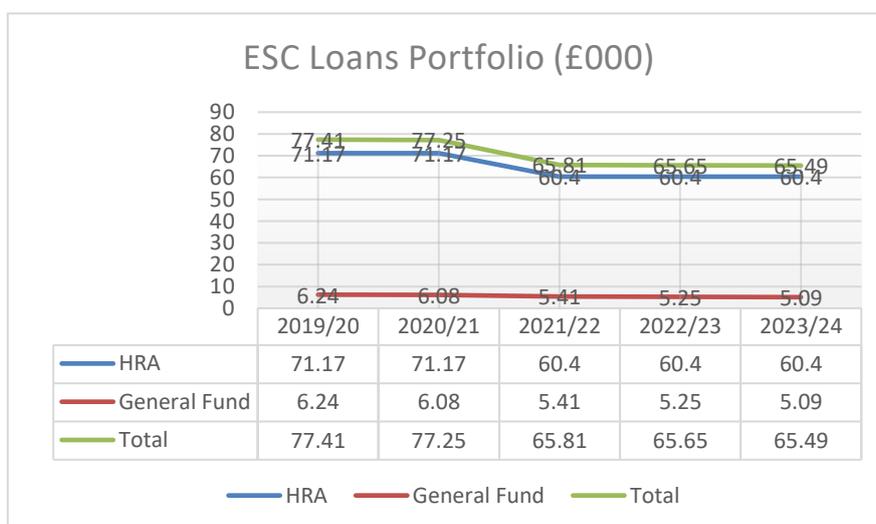
East Suffolk Council Treasury Management Statistics 2019/20 to 2023/24

Launched on 1 April 2019, East Suffolk Council was a brand-new local authority replacing Suffolk Coastal and Waveney District Councils. The Investment and borrowing portfolios of both Councils were merged as part of the transition. The following five-year overview of East Suffolk's Treasury Portfolio provides a backdrop to the Councils current position.

LOANS PORTFOLIO

The loans portfolio consists of Public Works Loan Board (PWLB) loans, The loans portfolio transitioned across from Waveney District Council on the 1st April 2019 and were a mix of General Fund (GF) and Housing Revenue Account (HRA) loans. Suffolk Coastal District Council was a 'debt free' local authority and therefore had no loans portfolio to transition across to East Suffolk Council.

Waveney District Councils had borrowed to finance the Councils capital programme, these loans were split 52% GF and 48% HRA and during 2008 a restructuring option was completed which enabled the Council to reduce the annual borrowing costs. In 2012 the Council borrowed £68m from the PWLB as part of the Governments Self Financing Housing regime, where housing stock holding Local Authorities were required to 'buy' their share of the national Housing debt. Following external advice, the HRA PWLB loans were structured in tranches in order to provide repayment opportunities over a 30-year period. The majority of loans portfolio were taken out on a maturity basis, meaning that at the end of the term the principal amount borrowed needed to be repaid. Within the total loans portfolio there is one loan which is an Equal Instalments of Principal Loan (EIP) with an annual principal and interest repayment each year over the term of the loan. There is also a low value Annuity loan which again repays an annual principal and interest repayment each year over the term of the loan. This is reflected in the graph below showing the amount of loans for the General Fund reducing each year.

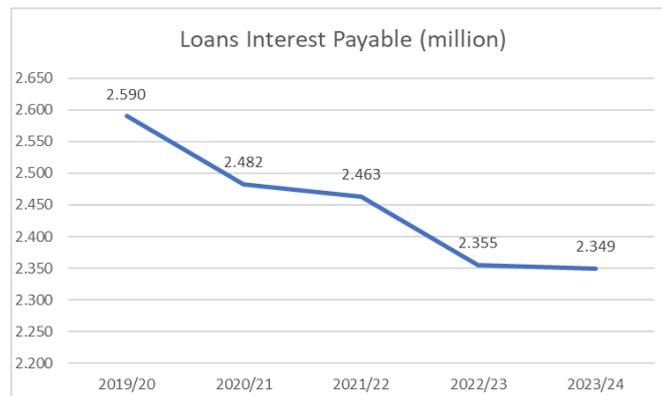


In 2021/22 the HRA took the opportunity to repay £10m of PWLB loans that had reached maturity which in turn reduced the annual cost of financing to the HRA.

The current maturity structure of the loans portfolio is shown below, noting that the next repayment is a £2m loan on the 30th September 2024 with an interest rate of 8.38%.

Principal Balance Outstanding (£)	Loan Rate (%)	Repayment Method	Advanced Date	Maturity Date	General Fund Value	HRA Value
4,336.62	7.63	ANNUITY	10-Sep-68	26-Aug-2028	4,336.62	
2,000,000.00	8.38	MATURITY	30-Nov-95	30-Sep-2024	1,040,000	960,000
3,000,000.00	4.55	MATURITY	10-Aug-07	31-Mar-2055	1,560,000	1,440,000
10,000,000.00	3.47	MATURITY	28-Mar-12	28-Mar-2039		10,000,000.00
10,000,000.00	3.42	MATURITY	28-Mar-12	28-Mar-2036		10,000,000.00
10,000,000.00	3.01	MATURITY	28-Mar-12	28-Mar-2027		10,000,000.00
10,000,000.00	3.49	MATURITY	28-Mar-12	28-Mar-2041		10,000,000.00
10,000,000.00	3.30	MATURITY	28-Mar-12	28-Mar-2032		10,000,000.00
8,000,000.00	3.50	MATURITY	28-Mar-12	28-Mar-2042		8,000,000.00
2,480,000.00	3.69	EIP	20-May-14	15-May-2039	2,480,000.00	
65,484,336.62					5,084,336.62	60,400,000.00

The chart below shows the interest payable on borrowing over the life of East Suffolk Council. All of the remaining borrowing is at fixed rate and therefore not subject to any fluctuations in interest rate. The majority of the interest payable is attributable to the HRA which is shown in the table below.



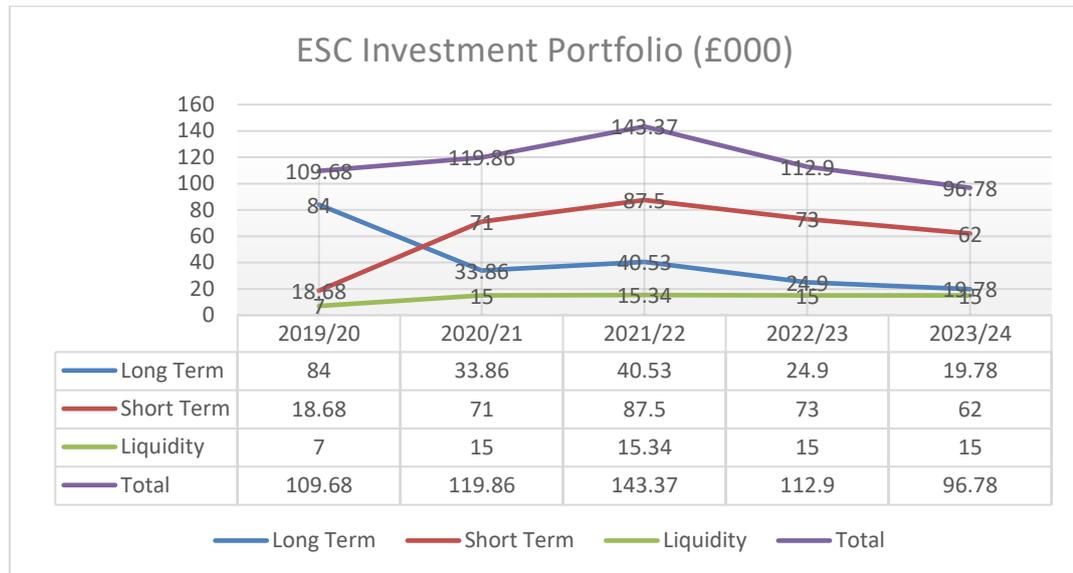
	Total Loans Interest Payable (million)	HRA Share of total (million)	GF Share of total (million)
2019/20	2.590	2.041	0.549
2020/21	2.482	1.986	0.496
2021/22	2.463	1.972	0.491
2022/23	2.355	1.949	0.406
2023/24	2.349	1.949	0.400
Total	12.239	9.897	2.342

2.0 INVESTMENT PORTFOLIO

East Suffolk Council, like its predecessor Council's has a positive investment position where timings in income and expenditure result in a positive cash position allowing investments to be made and generate investment income for the Council. A number of different investment commodities available to Local Authorities provide short and long term investments alongside liquidity investments which allows instant access to

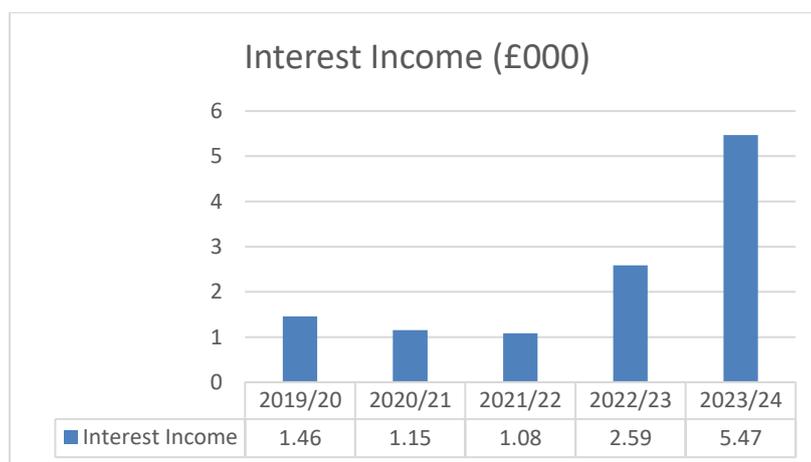
funds at any given moment in time.

The graph below tracks these investments over the life of East Suffolk Council, and it should be noted that during the Covid pandemic the Council received significant funding from Government to pass on to residents and businesses in the form of grants and therefore investment balances during 2020/21 and 2021/22 were significantly higher. Equally during this time investment rates were low, and it is only in the recent year, the tail end of 2022/23 and during 2023/24 where investment rates have been significantly higher than in the previous years.



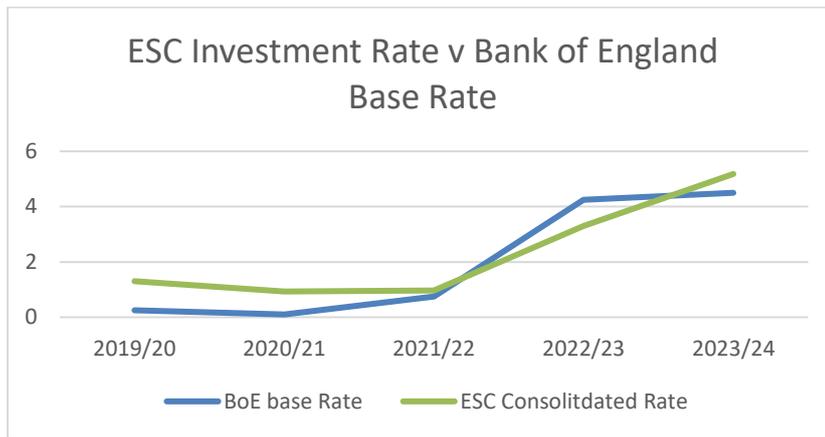
3.0 INVESTMENT INCOME

The investment income the Council has received on its treasury investments in the last two financial years has exceeded the previous three financial years. This is a direct result of increases in the market investment rates, fuelled by the increase in the Bank of England’s base rate.



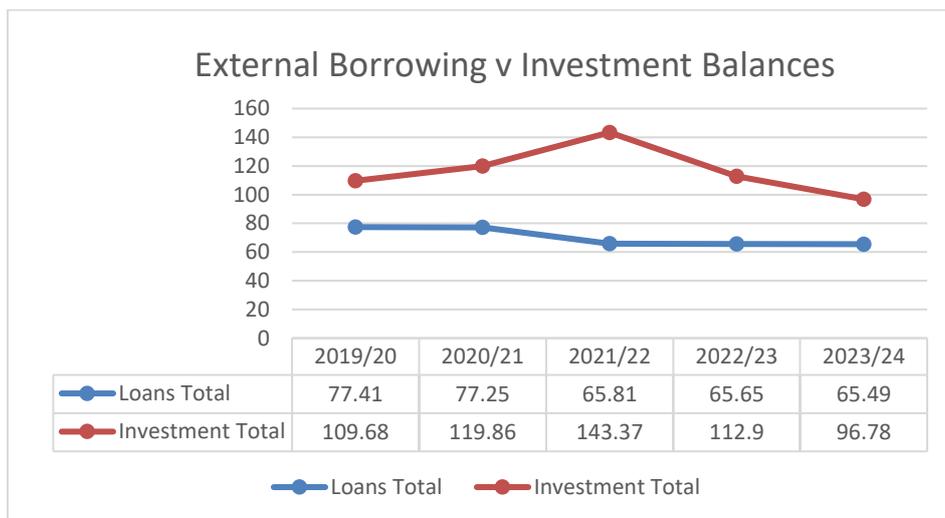
4.0 INVESTMENT RATE

The following graph tracks the Bank of England (BoE) base rate and the Councils consolidated investment rate, which is a weighted average of the amount invested and the interest rate. The closing position for 2023/24 shows that the Councils achieved a return on investments about that of the Bank of England base rate.



5.0 BORROWING AND INVESTMENTS

The purpose of the following chart is to show the Councils loans against the Treasury Management investments. This does not consider the planned capital expenditure to be funded from borrowing which is shown in the next section. The chart clearly shows that the Treasury management investment level is around £30m above loans level.



6.0 CURRENT LOANS & INVESTMENT PORTFOLIO WITH CAPITAL PROGRAMME BORROWING

The chart below illustrates how the Councils current capital programme borrowing requirement will affect the Councils Treasury Management position. Currently the Council has, along with its predecessor authorities maintained a surplus investment position against its external borrowing portfolio, this position will change based on the current profiled capital budget expenditure finance from borrowing. It should be noted that the planned borrowing is still within the approved borrowing limit of £173m.

Existing Loans & capital Programme Borrowing against Current loans & Investment levels

