

Appendix B

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators:

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.

Liquidity indicators	Target (£m)
Total Cash available within 3 Months	10.0

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] based on borrowing to maintain a £10 million minimum liquidity level held in investments will be:

Based on the Balance sheet summary in 6.1 and liability benchmark in 6.3, a 1% variance in interest rates would result in £340k of borrowing costs offset by £100k of interest received on minimum balances:

Increase in rates (upper limit) -£240K

Decrease in rates (lower limit) +£240K

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

Maturity structure of borrowing: This indicator is set to control the Council's exposure to refinancing risk.

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. The upper and lower limits on the maturity structure of borrowing based on assumed borrowing of £20 million in 2024/25:

Investment & Borrowing Strategy Financial Year 2024-25

Maturity Structure of borrowing	2024/25 Lower limit	2024/25 Upper limit
Under 12 months	0%	30%
12 months and within 24 months	0%	30%
24 months and within 5 years	0%	30%
5 years and within 10 years	0%	30%
10 years and within 15 years	0%	30%
15 years and within 20 years	0%	30%
20 years and within 25 years	0%	30%
25 years and within 30 years	0%	30%
30 years and within 35 years	0%	30%
35 years and within 40 years	0%	30%
40 years and within 45 years	0%	30%
45 years and within 50 years	0%	30%

Principal sums invested for periods longer than a year/ Long Term Treasury Management Investments: 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:

Price risk indicator	2024/25	2025/26	2026/27
Limit on principal invested beyond year end	£15 m	£15 m	£15 m

The limits above take into consideration the Council's liquidity requirement of £10 million plus contingency for in ear variations due to cash flow timings.

The indicators will be monitored throughout the financial year and compliance reported via the Mid Term Treasury Report and quarterly reporting updates.