

## 1 Treasury Management Indicators

1.1 The Councils measure and manage their exposure to treasury management risks using the following indicators.

1.2 **Security:** The Councils have adopted a voluntary measure of exposure to credit risk by monitoring the value-weighted average credit score of their investment portfolios. 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.

Portfolio Average Credit Score	30.09.2021 Actual	2021/22 Target	Complied
Babergh	4.80	7.0	✓
Mid Suffolk	4.80	7.0	✓

1.3 **Liquidity:** The Councils have adopted a voluntary measure of exposure to liquidity risk by monitoring the amount they can borrow each period without giving prior notice.

Total sum borrowed in the past 3 months without prior notice	30.09.21 Actual	2021/22 Target	Complied
Babergh District Council	Nil	£5m	✓
Mid Suffolk District Council	Nil	£5m	✓

1.4 **Interest Rate Exposures:** This indicator is set to control the Councils' exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest was:

Upper impact on Revenue of a 1% increase in rates	30.09.21 Actual	2021/22 Target	Complied
Babergh District Council	£0.034m	£0.111m	✓
Mid Suffolk District Council	£0.116m	£0.210m	✓

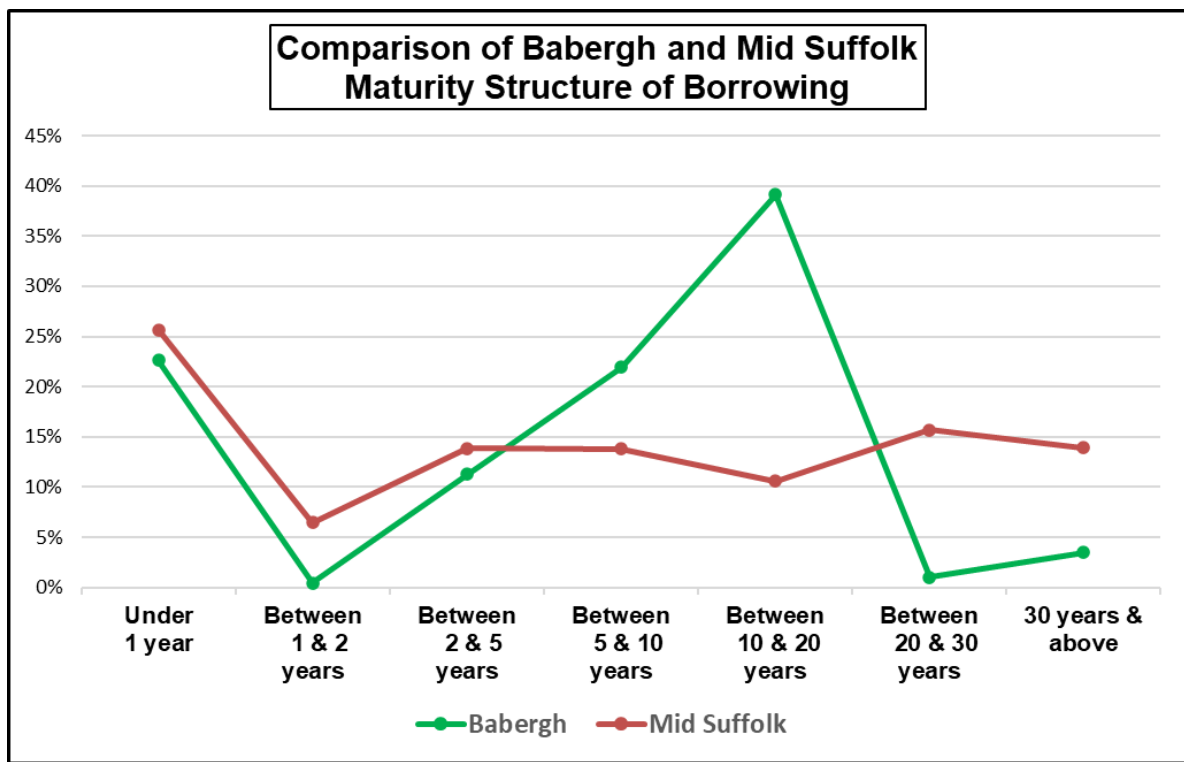
1.5 The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates.

1.6 **Maturity Structure of Borrowing:** This indicator is set to control the Councils' exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing are shown in the following table:

### 1.7 Table to show Maturity Structure of Borrowing:

Age Profile of Maturity	Babergh 30.09.21 Actual	Mid Suffolk 30.09.21 Actual	Lower Limit	Upper Limit	Complied
Under 1 year	22.64%	25.67%	0%	50%	✓
Between 1 & 2 years	0.46%	6.45%	0%	50%	✓
Between 2 & 5 years	11.29%	13.83%	0%	50%	✓
Between 5 & 10 years	21.97%	13.81%	0%	100%	✓
Between 10 & 20 years	39.13%	10.58%	0%	100%	✓
Between 20 & 30 years	1.03%	15.72%	0%	100%	✓
30 years & above	3.49%	13.94%	0%	100%	✓

### 1.8 Chart to show the Maturity Structure of Borrowing:



1.9 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.

1.10 **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 their investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

**Appendix D cont'd**

<b>Actual Principal invested beyond year end</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Babergh Actual	Nil	Nil	Nil
Mid Suffolk Actual	Nil	Nil	Nil
<b>Limit on principal invested beyond year end</b>	<b>£2m</b>	<b>£2m</b>	<b>£2m</b>
Babergh Complied	✓	✓	✓
Mid Suffolk Complied	✓	✓	✓