

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	30.09.2022 Actual	2022/23 Target	Complied
Babergh	5.20	7.0	✓
Mid Suffolk	5.35	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	30.09.22 Actual	2022/23 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:

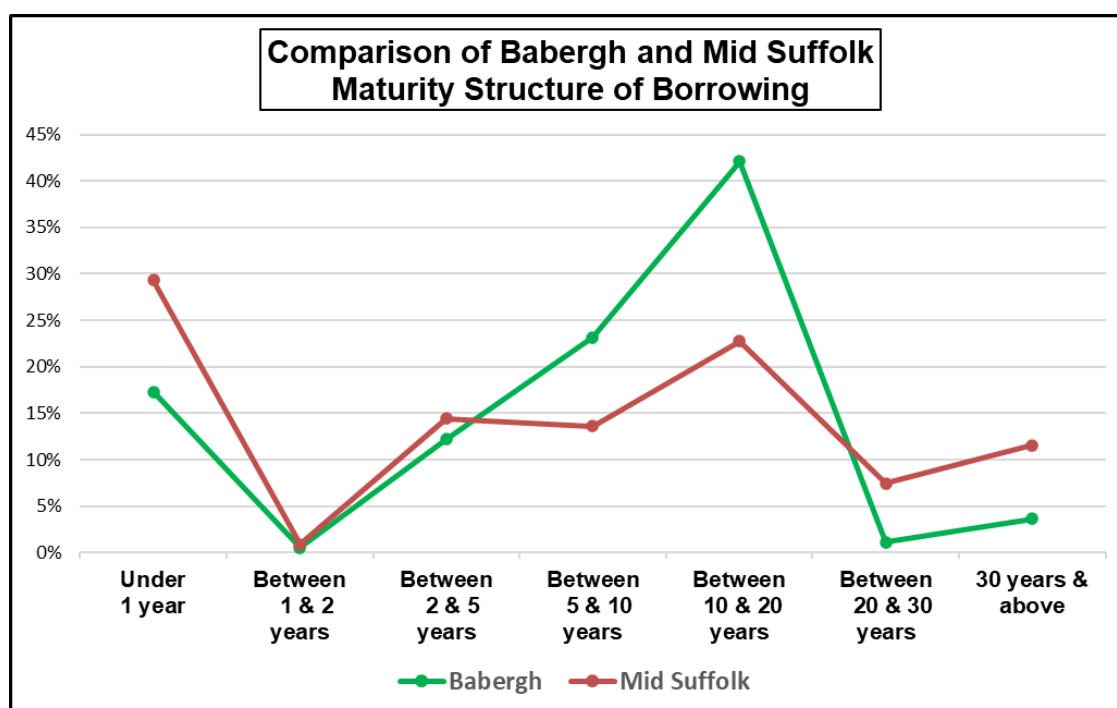
Upper impact on Revenue of a 1% increase in rates	30.09.22 Actual	2022/23 Target	Complied
Babergh District Council	£0.014m	£0.015m	✓
Mid Suffolk District Council	£0.059m	£0.073m	✓

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. This indicator covers the risk of replacement loans being unavailable, not interest rate 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 30.09.22 Actual	Mid Suffolk 30.09.22 Actual	Lower Limit	Upper Limit	Complied
Under 1 year	17.29%	29.32%	0%	50%	✓
Between 1 & 2 years	0.50%	0.89%	0%	50%	✓
Between 2 & 5 years	12.17%	14.45%	0%	50%	✓
Between 5 & 10 years	23.17%	13.58%	0%	100%	✓
Between 10 & 20 years	42.11%	22.74%	0%	100%	✓
Between 20 & 30 years	1.13%	7.45%	0%	100%	✓
30 years & above	3.63%	11.56%	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:

Actual Principal invested beyond year end	2022/23	2023/24	2024/25
Babergh Actual	Nil	Nil	Nil
Mid Suffolk Actual	Nil	Nil	Nil
Limit on principal invested beyond year end	£2m	£2m	£2m
Babergh Complied	✓	✓	✓
Mid Suffolk Complied	✓	✓	✓