

Treasury Management Sub Committee



St Edmundsbury
BOROUGH COUNCIL

Title:	Agenda
Date:	Monday 20 November 2017
Time:	10.30 am
Venue:	Mayor's Parlour West Suffolk House Western Way Bury St Edmunds
Full Members:	Chairman Sarah Broughton <i>Conservative Members (3)</i> Sarah Broughton David Roach Patricia Warby
Substitutes:	<i>Conservative Members (1)</i> Andrew Smith
By invitation:	Ian Houlder, Portfolio Holder for Resources and Performance
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
Quorum:	Three Members
Committee administrator:	Christine Brain Democratic Services Officer (Scrutiny) Tel: 01638 719729 Email: christine.brain@westsuffolk.gov.uk

Public Information



St Edmundsbury
BOROUGH COUNCIL

Venue:	West Suffolk House Western Way Bury St Edmunds Suffolk IP33 3YU	Tel: 01284 757120 Email: democratic.services@westsuffolk.gov.uk Web: www.stedmundsbury.gov.uk
Access to agenda and reports before the meeting:	Copies of the agenda and reports are open for public inspection at the above address at least five clear days before the meeting. They are also available to view on our website.	
Attendance at meetings:	The Borough Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public.	
Public participation:	Members of the public who live or work in the Borough are invited to put one question or statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply. A person who wishes to speak must register at least 15 minutes before the time the meeting is scheduled to start. There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chairman's discretion.	
Disabled access:	West Suffolk House has facilities for people with mobility impairments including a lift and wheelchair accessible WCs. However in the event of an emergency use of the lift is restricted for health and safety reasons. Visitor parking is at the car park at the front of the building and there are a number of accessible spaces.	
Induction loop:	An Induction loop is available for meetings held in the Conference Chamber.	
Recording of meetings:	The Council may record this meeting and permits members of the public and media to record or broadcast it as well (when the media and public are not lawfully excluded). Any member of the public who attends a meeting and objects to being filmed should advise the Committee Administrator who will instruct that they are not included in the filming.	

Agenda

Procedural Matters

Part 1 - Public

1. Substitutes

Any Member who is substituting for another Member should so indicate, together with the name of the relevant absent Member.

2. Apologies for Absence

3. Minutes

1 - 4

To confirm the minutes of the meeting held on 17 July 2017 (copy attached).

4. Public Participation

Members of the public who live or work in the Borough are invited to put one question / statement of not more than 3 minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within 3 minutes, the person who asked the question may ask a supplementary question that arises from the reply.

A person who wishes to speak must register at least 15 minutes before the time of the meeting is scheduled to start. There is an overall limit of 15 minutes for public speaking, which may be extended at the Chairman's discretion.

5. Mid-Year Treasury Management Report 2017-2018 and Investment Activity (1 April to 30 September 2017)

5 - 16

Report No: **TMS/SE/17/004**

6. Date of Next Meeting

The next meeting of the Sub-Committee has been set for Monday 22 January 2018, to commence at 10.30am.

Part 2 – Exempt

NONE

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Treasury Management Sub-Committee



St Edmundsbury
BOROUGH COUNCIL

Minutes of a meeting of the **Treasury Management Sub-Committee** held on **Monday 17 July 2017** at **10.30 am** in the **Mayor's Parlour, West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present: **Councillors**

Chairman Sarah Broughton

David Roach

Patricia Warby

By Invitation:

Ian Houlder, Portfolio Holder for Resources and Performance

This being the first meeting of the Treasury Management Sub-Committee since the Council's AGM on 18 May 2017, the Democratic Services Officer (Scrutiny) opened the meeting.

53. **Substitutes**

There were no substitutes declared.

54. **Apologies for Absence**

There were no apologies for absence received.

55. **Election of Chairman**

Councillor Patricia Warby nominated Councillor Sarah Broughton as Chairman. This was duly seconded by Councillor David Roach, and with the vote being unanimous, it was

RESOLVED:

That Councillor Sarah Broughton be elected Chairman of the Sub-Committee for 2017-2018.

Councillor Sarah Broughton then took the Chair for the remainder of the meeting.

56. **Minutes**

The minutes of the meeting held on 16 January 2017 were confirmed as a correct record and signed by the Chairman.

57. **Public Participation**

There were no questions/statements from members of the public.

58. **Annual Treasury Management Report (2016-2017) and Investment Activity (1 April to 30 June 2017)**

The Sub-Committee received Report No: TMS/SE/17/003 which:

- (a) Presented the Council's Annual Treasury Management Report, summarising the investment activities for the year 2016-2017; and
- (b) Provided a summary of the investment activities for the first three months of the 2017-2018 financial year.

(a) Annual Treasury Management Report 2016-2017

The Council's Annual Treasury Management Report for 2016-2017 was attached as Appendix 1 to Report No: TMS/SE/17/003. The report included tables which summarised the interest earned during 2016-2017 on the various treasury investments held by the Council; investment activity during the year and investments held as at 31 March 2017.

The budgeted income from investments in 2016-2017 was £277,484 (average rate of return of 0.90%). Interest actually earned during the year totalled £417,358 (average rate of return of 0.763%); an overachievement in interest of £139,876, but an under achievement of 0.137% on average rate of return.

The over achievement of interest earned was primarily due to higher cash balances being held during the year than originally budgeted for.

The Council in February 2005, agreed to establish the Interest Equalisation Earmarked Reserve to help smooth out the fluctuations in returns.

The Sub-Committee scrutinised the Annual Treasury Management Report 2016-2017 and asked questions to which responses were provided.

It was the proposed by Councillor David Roach, seconded by Councillor Sarah Broughton and with the vote being unanimous, it was

RECOMMENDED:

That the Annual Treasury Management Report 2016-2017, attached as Appendix 1 to Report No: TMS/SE/17/003, be approved.

(b) Investment Activity 1 April to 30 June 2017

The total amount invested at 1 April 2017 was £46.35m and at 30 June 2017 £50.90m. The increase in balances over this period was due primarily to timing differences in respect of collection of local taxes; Council Tax and Non-Domestic Rates and payments of precepts i.e. to Suffolk County Council, Suffolk Police and central government.

The 2017-2018 Annual Treasury management and Investment Strategy Statements sets out the Council's projections for the current financial year. The budget for investment income in 2017-2018 was £253,000 which was based on a 0.55% target average rate of return on investments.

As at end of June 2017, interest earned during the first quarter amounted to £80,717 (average rate of return 0.607%) against a profiled budget of £63,250 (average rate of return 0.55%), creating a budgetary surplus of £17,467. The surplus was due to the Council holding higher cash balances than originally projected when the budget was set in February 2017, and the prudent use of mid to long term investments that achieved a slightly higher rate of return.

The Sub-Committee scrutinised the Investment Activity for 1 April 2017 to 30 June 2017, and asked questions to which responses were provided. In particular discussions were held on the low borrowing rates which were currently available; and the Council's budgetary surplus / overachievement in income, which it acknowledged was mainly due to the capital programme where large balances were held for large complex projects and the timing of payments linked to those projects.

There being no decision required, the Sub-Committee **noted** the quarter one investment activity.

59. Date of Next Meetings

The Sub-Committee **noted** that the next meetings of the Sub-Committee would be held on Monday 20 November 2017 and Monday 22 January 2018. Both meetings to commence at 10.30am.

The Meeting concluded at 10.47am

Signed by:

Chairman

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Treasury Management Sub-Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Mid-Year Treasury Management Report 2017/18 and Investment Activity 1 April to 30 September 2017	
Report No:	TMS/SE/17/004	
Report to and dates:	Treasury Management Sub-Committee	20 November 2017
	Performance and Audit Scrutiny Committee	29 November 2017
	Cabinet	5 December 2017
	Council	19 December 2017
Portfolio holder:	Ian Holder Portfolio Holder for Resources and Performance Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 001638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To present the Council's Mid-Year Treasury Management Report summarising the investment activities for the period to 30 September 2017.	

Recommendation	<p>It is RECOMMENDED that, the Treasury Management Sub-Committee:</p> <p>(1) Make recommendations as appropriate via the Performance and Audit Scrutiny Committee to Cabinet and Council regarding the approval of:</p> <p>a) The Mid-Year Treasury Management Report for 2017-2018, including the change to the Annual Treasury Management and Investment Strategy and associated Code of Practice attached as Appendix 1.</p>	
<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>	
Consultation:	<ul style="list-style-type: none"> Treasury management activities are undertaken in consultation with Capita (the Council's appointed Treasury Management advisers) and also takes into account information obtained from investment brokers and other economic commentators. This committee provides for the scrutiny of treasury management strategies and performance, with changes in strategies and policies subject to approval by Cabinet and full Council. 	
Alternative option(s):	<ul style="list-style-type: none"> Options for the management of Council investments are formally considered within the annual treasury management and investment strategy. This includes key strategies in respect of the maintenance of the Council's debt free status, the continuation of in-house management of funds, and the approach to be adopted in establishing the creditworthiness of potential counterparties. The changing nature of the economic climate requires that these key areas are subject on-going review. 	
Implications:		
<p>Are there any financial implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<p>• Please refer to main report</p>
<p>Are there any staffing implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p>•</p>
<p>Are there any ICT implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p>•</p>

<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> This report is in-line with the Treasury Management Practice 6, (TMP6), of the Treasury Management Code of Practice which requires that a mid-year monitoring report must be submitted to Council by 31 December each year 	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Fluctuation in interest rates or in projected cash flows having significant impact on budgeted investment income.	High	Spread of investments for periods of up to two years. Budget monitoring and quarterly performance reports. Use of interest equalisation reserve to smooth out year on year fluctuations.	Medium
Bank / building society failure resulting in loss of Council funds.	High	Use of Capita advice on counterparty credit ratings (based on Fitch and Moody ratings) and the setting of lending limits. Use of non-rated building societies based on asset base and additional credit checks.	Medium
Ward(s) affected:		All Ward	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		Annual Treasury Management and Investment Strategy 2017/18. <i>(Report COU/SE/17/002 refers)</i>	
Documents attached:		Appendix 1 – Mid-Year Treasury Management Report 2017/18	

1. Mid-Year Monitoring Report 2017/18

- 1.1 Full details of treasury management activities during the period 1 April to 30 September 2017 are included in **Appendix 1** of this report.
- 1.2 Below is a summary of those investment activities:

INTEREST EARNED & AVERAGE RATE OF RETURN SUMMARY			
	Budget	Actual	Difference
Investment Interest Earned	£126,500	£155,841	+ £29,341
Average Rate of Return	0.55%	0.57%	+0.02%

- The over-achievement of interest earned was primarily due to higher cash balances being available for investment than expected. These increases in balances are due to timing differences in the collection and payment of Council Tax, NNDR and other revenue streams, and underspends relating to the budgeted capital programme.
- As at 30 September 2017 we held £51,200,000 of investments.

INVESTMENT ACTIVITY SUMMARY	
	2017/18 £
Opening Balance 01 April 2017	46,350,000
Investments made during the year (including transfers to business reserve accounts)	64,250,000
Sub Total	110,600,000
Investments realised during the year (including withdrawals from business reserve accounts)	59,400,000
Closing Balance 30 September 2017	51,200,000

- 1.3 The mid year report also includes a request to revise the 'Red' % of portfolio limit from 35% to 50%. This is due to the majority of the banks now having a Sector Colour Code rating of 'Red' (there are no longer any Purple or Blue UK banks and only 2 Orange UK bank). The maximum investment with any one 'Red' institution will remain at £11m.

Lending Criteria - Rated Banks and Investment Scheme

Capita Colour Code Key	CURRENT Maximum Duration / Investment Values*	REVISED Maximum Duration / Investment Values*
Purple	Max £13m for max of 2 years (subject to max 50% of portfolio)	Max £13m for max of 2 years (subject to max 50% of portfolio)
Orange	£12m for max of 2 years (subject to max 40% of portfolio)	£12m for max of 2 years (subject to max 40% of portfolio)
Red	£11m for max of 1 year (subject to max 35% of portfolio)	£11m for max of 1 year (subject to max 50% of portfolio)

Green	£9m for max of 6 months (subject to max 30% of portfolio)	£9m for max of 6 months (subject to max 30% of portfolio)
Blue (nationalised / substantially owned by the UK government)	£18m for max of 2 years	£18m for max of 2 years

** Note – This represents an adaption of the Capita approach*

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Mid-Year Treasury Management Report 2017/2018

1 Introduction

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2009 (the Code) was adopted by Council on 23 February 2010.
- 1.2 The primary requirements of the Code are as follows:
 - a. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - b. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - c. Receipt by Council of an Annual Treasury Management Strategy Report for the year ahead, a mid-year review report (as a minimum) and an annual review report of the previous year.
 - d. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - e. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body which in this Council is the Treasury Management Sub-Committee.
- 1.3 Treasury management in this context is defined as:

'The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'
- 1.4 The purpose of this report is to meet one of the above requirements of the CIPFA Code, namely the mid-year review report of treasury management activities, for the financial year 2017/18.

2. Annual Treasury Management and Investment Strategy for 2017/18

- 2.1 The Council's 2017/18 Annual Treasury Management and Investment Strategy was approved by full Council on 21 February 2017 (report COU/SE/17/002 refers). The investment strategy for 2017/18 was to give priority to the security and liquidity of investments whilst at the same time seeking to optimise the return on investments.
- 2.2 The target rate of return for investments for 2017/18 was 0.55%. This target rate was based upon investment rate projections for the year provided by Capita (the Council's treasury management advisors), together with consideration of the profile of the Council's portfolio of investments (i.e. mixture of liquid and fixed term investments). Based upon the anticipated funds available for investment in the year (taking into account planned capital expenditure and receipts from asset disposals) this gave a target investment income of £253k for the year.

3. Revision to Annual Treasury Management and Investment Strategy and Code of Practice

- 3.1 In recent months it has been increasingly difficult to place funds within the Council's current lending criteria due to changes in Capita's colour code ratings of institutions. The majority of UK banks now have a Capita Colour Code rating of Red, there are no longer any Purple or Blue UK banks and only 2 Orange UK banks. Consequently the 'maximum 35% of the portfolio' limit for Red institutions is becoming increasingly restrictive.
- 3.2 Consequently, following discussions with our treasury advisor, it is proposed that the 'Red' proportion of portfolio limit be revised from 35% to 50%. The maximum investment with any one 'Red' institution will remain the same at £11m.

Lending Criteria - Rated Banks and Investment Scheme

Capita Colour Code Key	CURRENT Maximum Duration / Investment Values*	REVISED Maximum Duration / Investment Values*
Purple	Max £13m for max of 2 years (subject to max 50% of portfolio)	Max £13m for max of 2 years (subject to max 50% of portfolio)
Orange	£12m for max of 2 years (subject to max 40% of portfolio)	£12m for max of 2 years (subject to max 40% of portfolio)
Red	£11m for max of 1 year (subject to max 35% of portfolio)	£11m for max of 1 year (subject to max 50% of portfolio)
Green	£9m for max of 6 months (subject to max 30% of portfolio)	£9m for max of 6 months (subject to max 30% of portfolio)
Blue (nationalised / substantially owned by UK government)	£18m for max of 2 years	£18m for max of 2 years

* Note – This represents an adaption of the Capita approach

4. Interest Rates and Market Activity

- 4.1 The Bank of England base Rate has risen from 0.25% to 0.5%, as predicted by our treasury advisors, Capita, who highlighted a revised expectation for the Bank Rate to increase to 0.5% as soon as Q4 2017. The Monetary policy Committee (MPC) meeting of the 2 November 2017 confirmed this increase and also the suspicion that interest rates may continue to rise, with confirmation from the Bank of England that by 2020 the Base Rate will rise incrementally to 1%. The knock on effect of this shift means further uncertainty in the Council's returns going forward. Currently the Council's returns for investments up to 3 months in length are at base rate or below, while those of 4 to 12 months are generally below 0.75%.
- 4.2 Markets will continue to be closely monitored and higher rates of return secured whenever possible.

5. The Council's Lending Criteria 2017/18

- 5.1 The Council's Annual Treasury Management and Investment Strategy requires that deposits are only placed with a limited number of high quality banks and building societies whose credit rating is independently assessed as sufficiently secure by the Council's treasury advisers (Capita) or, for non-rated building societies, subject to their meeting minimum financial criteria (based on asset base size).
- 5.2 The below tables shows the credit criteria applicable at the 1 April 2017 and 30 September 2017:

Credit Criteria: Rated Banks and Institutions

Capita Colour Code Key	Maximum Duration / Investment Values*
Purple	Max £13m for max of 2 years (subject to max 50% of portfolio)
Orange	£12m for max of 2 years (subject to max 40% of portfolio)
Red	£11m for max of 1 year (subject to max 35% of portfolio)
Green	£9m for max of 6 months (subject to max 30% of portfolio)
Blue (nationalised / substantially owned by the UK government)	£18m for max of 2 years

Credit Criteria: Rated Building Societies

Capita Colour Code Key*	Credit Criteria 01/04/17
Red	£11m for max of 1 year (subject to max 35% of portfolio)
Green	£7m for max of 1 year (subject to max 30% of portfolio)

Credit Criteria: Non- Rated Building Societies

Asset Base**	Credit Criteria 01/04/17
Asset base > £2,500m	£6m for max 6 months
Asset base > £1,000m	£5m for max 6 months

* In order to simplify the complex system of commercial credit ratings, Capita has developed a system of colour codings which reflect the relative strengths of individual banking institutions. Details of these colour codings are provided in the Council's Annual Treasury Management and Investment Strategy.

** Further restrictions on non-rated building societies include a requirement for societies to be covered by a Dun and Bradstreet credit rating.

- 5.4 As per paragraph 3.2, it is proposed that the 'Red' % of portfolio limit be revised from 35% to 50%.

6 Compliance with Treasury Management Strategy and Code of Practice

- 6.1 During the first six months of the financial year the Council operated within the approved Treasury limits and Prudential Indicators (as set out in the Council's Treasury Policy Statement and Annual Treasury Strategy Statement). No institutions in which investments were made had any difficulty in repaying investments and interest in full during the period.

7 Interest Earned from Treasury Investments during the period 1 April to 30 September 2017

7.1 The table below summaries the interest earned during the period 1 April to 30 September 2017 on the various Treasury Investments held by the Council;

TREASURY MANAGEMENT – INTEREST EARNED SUMMARY	
	£
Temporary Investments – Term Deposits	116,181
Bank of Scotland Current Account	1
Barclays Reserve Account	24
NatWest Call Account	194
Santander 365 Day Account	39,441
TOTAL INTEREST EARNED/ACCRUED	£155,841

7.2 The budgeted income from investments for the period 1 April to 30 September 2017 was £126,500 (average rate of return of 0.55%). Interest actually earned during the period totalled £155,841 (average rate of return 0.575%), an over-achievement of interest of £29,341 and an over-achievement of 0.025% on the average rate of return.

7.3 The over-achievement of interest earned was primarily due to higher cash balances being available for investment than expected. These increases in balances are due to timing differences in the collection and payment of Council Tax, NNDR and other revenue streams, and underspends relating to the budgeted capital programme.

7.4 By year end it is predicted that interest earned will exceed the originally budgeted figure by approximately £26k, this is mainly due to higher cash balances as the predicted average rate of return remains at 0.55%.

8 Investment Activity during the period 1 April to 30 September 2017

8.1 The table below summaries the investment activities during the period;

TREASURY MANAGEMENT – INVESTMENT ACTIVITY SUMMARY	
	2017/18
	£
Opening Balance 01 April 2017	46,350,000
Investments made during the year (including transfers to business reserve accounts)	64,250,000
Sub Total	110,600,000
Investments realised during the year (including withdrawals from business reserve accounts)	59,400,000
Closing Balance 30 September 2017	51,200,000

8.2 Investments were made with counterparties that met the agreed lending criteria and investment periods. Investment periods range from overnight to one year, dependent on the Council's cash flows, the view on interest rates and the actual interest rates on offer.

- 8.3 Where possible, investments were made in longer term fixed term investments (up to 1 year) in order to lock into interest rates which exceed the Council's budgeted rate of return and to provide some certainty of return for a proportion of the Council's investments.
- 8.4 During the period, for cash flow purposes (in particular relating to capital projects/purchases), use was made of the instant access and business reserve accounts with Barclays and NatWest. As at 30 September 2017 £1.5m was held in these accounts at an interest rate of 0.01%.
- 8.5 The table below shows the investments held as at 30 September 2017;

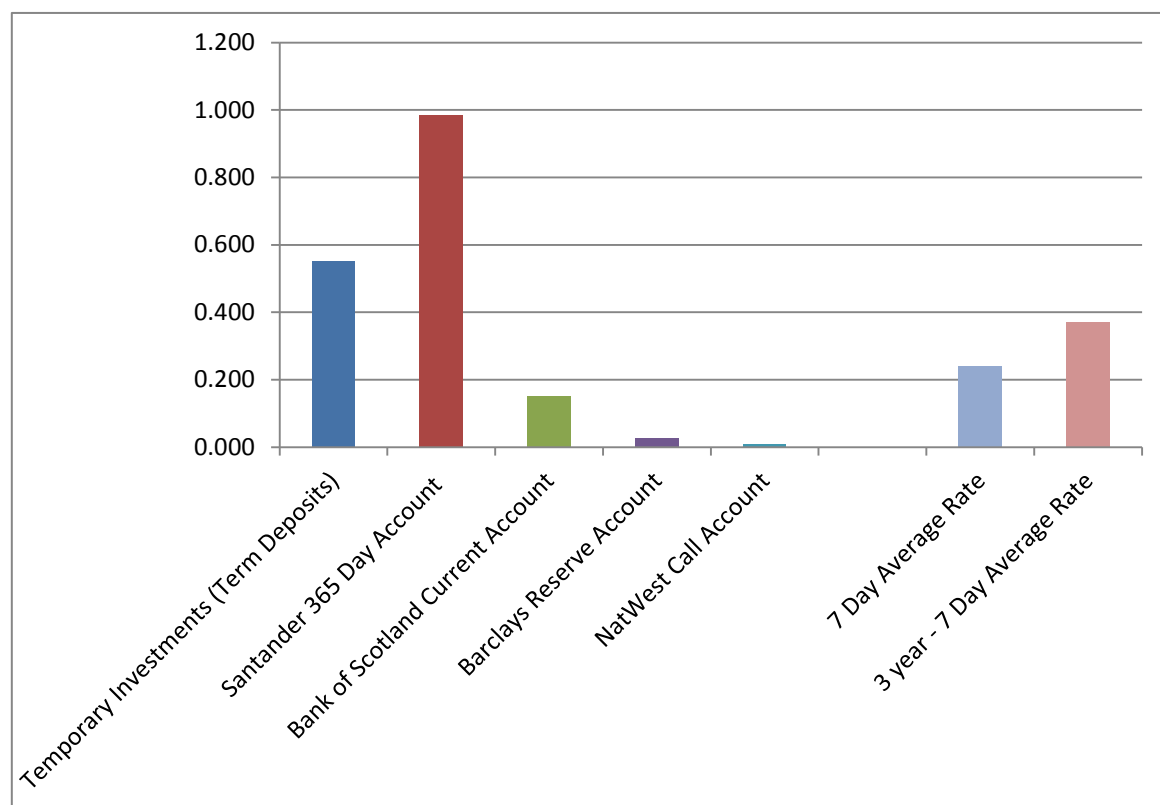
Investments held as at 30 September 2017				
Counterparty	Principal Amount	Interest Rate	Date Loaned	Date Returned
Bank of Scotland	2,000,000	1.00%	02/11/16	01/11/17
Bank of Scotland	5,000,000	0.90%	13/02/17	12/02/18
Principality B/Society	3,000,000	0.45%	28/04/17	02/10/17
Skipton B/Society	2,500,000	0.65%	02/06/17	19/03/18
Skipton B/Society	3,000,000	0.77%	05/06/17	05/06/18
Newcastle B/Society	6,000,000	0.65%	03/07/17	15/03/18
National Counties B/Soc	2,000,000	0.55%	05/07/17	19/12/17
Nottingham B/Society	4,000,000	0.34%	01/08/17	19/10/17
Coventry B/Society	1,000,000	0.16%	01/08/17	30/10/17
Yorkshire B/Society	2,000,000	0.15%	02/08/17	16/10/17
Yorkshire B/Society	1,500,000	0.20%	02/08/17	15/11/17
Coventry B/Society	1,000,000	0.14%	21/08/17	23/10/17
Coventry B/Society	4,500,000	0.15%	01/09/17	20/11/17
Nottingham B/Society	2,000,000	0.32%	01/09/17	22/12/17
Coventry B/Society	1,000,000	0.24%	01/09/17	15/01/18
Principality B/Society	1,200,000	0.22%	15/09/17	15/11/17
Santander 365 Day	8,000,000	0.95%	365 day	notice
Barclays Reserve	100,000	0.01%	Call	
NatWest Call Account	1,400,000	0.01%	Call	
TOTAL	51,200,000			

9 Average Rate of Return Comparison

- 9.1 The table below shows the change in the average rate of return for the various categories of investment quarter on quarter;

Comparison of Average Rate of Return		
	Qtr 1	Qtr 2
Temporary Investments	0.594%	0.552%
Santander 365 Day	1.017%	0.983%
Bank of Scotland C/Acc	0.100%	0.150%
Barclays Reserve	0.100%	0.026%
NatWest Call Account	0.010%	0.010%
7 Day Average	0.37%	0.24%
3 Year - 7 Day Average	0.48%	0.37%
Overall Average return on Investments	0.607%	0.575%

Average Rate of Return by Investment Category



10 Summary of Funds Held

10.1 The table below shows a summary of the funds held as at 30 September 2017

Summary of Funds held	
Fund	£
Revenue Reserves	22,054,807
Capital Receipts Reserves	20,454,518
General Funds Reserve	3,035,694
Cash flow Balances	5,654,981
Total Value of Investments	51,200,000

11 Borrowing

11.1 As at 30 September 2017 the Council had no external debt.