This Report will be made public on 18 October 2023

Report Number **C/23/49**

To:	**Cabinet**
Date:	**18 October 2023**
Status:	**Non-Key Decision**
Head of Service:	**Lydia Morrison – Interim Director of Corporate Services**
Cabinet Member:	**Councillor Tim Prater, Deputy Leader and Cabinet Member for Finance and Governance**

SUBJECT: **TREASURY MANAGEMENT 23/24 QUARTER ONE REPORT**

SUMMARY: This report provides an update on the Council's treasury management activities that have taken place during 2023/24 against the agreed strategy for the year. The report also provides an update on the treasury management indicators approved by Cabinet earlier this year.

REASONS FOR RECOMMENDATIONS:
Cabinet is asked to agree the recommendations set out below because:

a) Both the CIPFA Code of Practice on Treasury Management and the Council's Financial Procedure Rules require Members to receive a report on the Council's treasury management activities during the year.

RECOMMENDATIONS:
1. **To receive and note report C/23/49.**

1. BACKGROUND

1.1 In December 2021 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.

1.2 This quarterly report provides an additional update and includes the new requirement in the 2021 Code, mandatory from 1st April 2023, of quarterly reporting of the treasury management prudential indicators.

1.3 The Council's treasury management strategy for 2023/24 was approved at Full Council on 22 February 2023. The Authority has borrowed and invested substantial sums of money 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 risk remains central to the Authority's treasury management strategy.

2. ECONOMIC UPDATE AND INTEREST RATE OUTLOOK

2.1 Economic background: From the start of the quarter until May it looked like peak global monetary policy rates were in sight as inflation continued to ease and central banks turned more dovish in tone. Only a few weeks later, stronger and more persistent inflation data, particularly in the UK, changed the picture.

2.2 The UK situation was not welcome news for the Bank of England. GDP growth was weak, confirmed at 0.1% in Q1, although more recent monthly GDP data has been somewhat better. The housing market has stalled, consumer demand is weak but seemingly recovering despite higher interest rates, and labour demand remained strong, with repercussions for wage growth which is accelerating.

2.3 April data showed the unemployment rate increased to 3.8% (3mth/year) while the employment rate rose to 76.0%. Pay growth was 6.5% for total pay (including bonuses) and 7.2% for regular pay, the largest growth rate of the latter outside of the Covid pandemic. Once adjusted for inflation, however, growth in total pay and regular pay remained negative.

2.4 Inflation fell from its peak of 11.1% reached in October 2022, but annual headline CPI in May 2023 was higher than the consensus forecast at 8.7% (8.4% expected), largely driven by services inflation, while the annual measure of underlying core inflation rose to 7.1% from 6.8%.

2.5 After a sharp rise in interest rate expectations, with clearly serious implications for mortgage markets due to higher inflation and wage data, the Bank of England's Monetary Policy Committee reaccelerated monetary policy tightening over the period with a 0.25% rise in May to a 0.5% rise in June, taking Bank Rate to 5.0%. At both meetings the vote was 7-2 in favour of increasing rates, with the two dissenters preferring to keep rates on hold.

Interest rate expectations priced in further hikes in policy rates. Arlingclose, the authority's treasury adviser, revised its forecast to forecast a further 0.5% of monetary tightening to take Bank Rate to 5.5%. The risks, however, are that rates could be higher; financial markets are forecasting policy interest rates above 6%.

2.6 With many mortgages at low fixed rates now systematically being re-set over the next 12-24 months at higher rates at the end of their fixed rate period, there has been a lagged effect of the feed through of monetary policy on households' disposable income. The economic slowdown is expected to develop over time and therefore, despite the GfK measure of consumer confidence rising to -24 in June, it is likely confidence will be negatively affected at some point. The manufacturing sector contracted during the quarter according to survey data, which will eventually feed into services, whose expansion is slowing.

2.7 Despite the US Federal Reserve increasing its key interest rate to 5.00-5.25% over the period, activity in the region continued to defy monetary tightening, particularly in labour markets which have so far appeared robust, supporting the Fed's assertations of two more rate hikes after it paused in June. Annual US inflation continued to ease, falling from 4.9% in April to 4.0% in May, the lowest level since March 2021. US GDP growth at 2% annualised in the first calendar quarter of 2023 was also significantly stronger than expected against the initial estimate of 1.3%.

2.8 In the euro zone, the picture was somewhat different. The European Central Bank maintained its hawkish tone and increased its key deposit, main refinancing, and marginal lending interest rates to 3.50%, 4.00% and 4.25% respectively. There were signs of weakening activity, particularly in Germany whose manufacturing sector has taken a hit from high energy prices and weaker global demand. However, inflation remained sticky, annual headline CPI fell to 5.5% in June while annual core inflation rose to 5.4% from 5.3%, which means the ECB is unlikely to stop monetary tightening.

2.9 Financial markets: Financial market sentiment and bond yields remained volatile, the latter continuing their general upward trend as uncertainty and concern over higher inflation and higher interest rates continued to dominate.

2.10 Gilt yields rose over the period. The 5-year UK benchmark gilt yield rose from 3.30% to 4.67%, the 10-year gilt yield from 3.43% to 4.39%, and the 20-year yield from 3.75% to 4.51%. The Sterling Overnight Rate (SONIA) averaged 4.37% over the quarter.

2.11 Credit review: Having completed a review of its credit advice on unsecured deposits at UK and non-UK banks following concerns of a wider financial crisis after the collapse of Silicon Valley Bank purchase of Credit Suisse by UBS, as well as other well-publicised banking sector issues, in March Arlingclose reduced the advised maximum duration limit for all banks on its recommended counterparty list to 35 days.

2.12 Over the period S&P upgraded NatWest Group and related entities to A+ (except NatWest Markets which was upgraded to A), revised the UK sovereign outlook to stable from negative, and upgraded both Barclays Bank PLC and Barclays Bank UK PLC to A+.

2.13 Fitch put the US sovereign rating on Rating Watch Negative following increased political partisanship which at the time was hindering the latest resolution to raise the debt ceiling. It also upgraded the outlook on United Overseas Bank to stable, the outlook on Clydesdale to positive, and the outlook on Bank of Montreal to stable.

2.14 Moody's withdrew Guildford BC's rating (who chose not to continue being rated) and affirmed the Aaa rating of the European Investment Bank.

2.15 Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress but made no changes to the counterparty list or recommended durations over the quarter. Nevertheless, heightened market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

3. LOCAL CONTEXT

3.1 On 31 March 2023, the authority had investments of £24.3m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.23 Actual £m
General Fund CFR	94.0
HRA CFR	47.4
Total CFR	**141.4**
Less: external borrowing	(107.1)
Balance: internal borrowing	**34.3**
Less: Usable reserves	(43.3)
Less: Working capital	(15.3)
Net borrowing (investments)	**(24.3)**

3.2 The authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, to reduce risk and keep interest costs low. The treasury management position as at 30 June 2023 and the change since the 31 March 2023 is show in table 2 below.

Table 2: Treasury Management Summary

	31.3.23 Balance £m	Net Movement £m	30.6.23 Balance £m
Long-term borrowing Short-term borrowing	63.4 43.6	0.3 0.1	63.1 43.5
Total borrowing	**107.0**	**(0.4)**	**106.6**
Long-term investments Cash and cash equivalents	(14.0) (10.2)	- (0.3)	(14.0) (10.6)
Total investments	**(24.3)**	**(0.3)**	**(24.6)**
Net borrowing	**82.7**	**(0.7)**	**82.0**

3.3 The overall decrease of £0.7m in net borrowing is not unexpected and broadly reflects the impact of the council's capital expenditure incurred over the period. So far it has been possible to continue with the strategy of using internal borrowing from available cash balances rather than taking out new loans, demonstrated by the reduction in investment balances.

4. BORROWING STRATEGY AND ACTIVITY 2023/24

4.1 As outlined in the treasury strategy, the Authority's 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 Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

There has been a substantial rise in the cost of both short- and long-term borrowing over the last 18 months. In this quarter, Bank Rate rose from 4.25% at the beginning of April to 5.0% at the end of the quarter and was also significantly higher than its level of 1.25% at the end of June 2022.

Gilt yields faced upward pressure since early April following signs that UK growth has been more resilient and inflation stickier than expected. Consequently, PWLB borrowing rates continued to rise over the quarter. On 30th June, the PWLB certainty rates for maturity loans were 5.25% for 10 year loans, 5.36% for 20-year loans and 4.95% for 50-year loans. Their equivalents on 31st March 2023 were 4.33%, 4.70% and 4.41% respectively.

A new PWLB HRA rate which is 0.4% below the certainty rate has been made available from 15th June 2023. Initially available for a period of one year, this discounted rate is to support local authorities borrowing for the Housing Revenue Account and for refinancing existing HRA loans, providing a window of opportunity for HRA-related borrowing and to replace the Council's loans relating to the HRA maturing during this time frame.

At 30th June the Authority held £106.6m of loans, which is a reduction of £0.4m since 31st March 2023, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 30th June are summarised in Table 3 below.

Table 3: Borrowing Position – Two-Pool Debt Approach

	31.3.23 Balance £m	**Net Movement £m**	**30.6.23 Balance £m**	**30.6.23 Rate %**
General Fund				
Public Works Loan Board	16.8	-	16.8	4.18%
Local Authorities (short-term)	39.8	(0.3)	39.5	3.58%
Total General Fund borrowing	56.6	(0.3)	56.3	3.76%
Housing Revenue Account				
Public Works Loan Board	50.4	(0.1)	50.3	3.73%
Total HRA borrowing	50.4	(0.1)	50.3	3.58%
Total borrowing	**107.0**	**(0.4)**	**106.6**	**3.67%**

The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short- and long-term borrowing was maintained.

5. TREASURY INVESTMENTS

5.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the period to 30 June 2023, the authority's investment balance has ranged between £22m and £32m due to timing differences between income and expenditure. The average investment balance for the period was £27m. The investment position during the period to 30 June 2023 is shown in table 5 below. A list of the individual investments held at 30 June 2023 is shown in appendix 2 to this report.

Table 4: Investment Position

	31.3.23 Balance £m	**Net Movement £m**	**30.6.23 Balance £m**	**Average Return**
Money Market Funds	10.2	0.3	10.6	4.74%
Commercial Property Pooled Fund	5.1	-	5.1	5.56%
Multi-Asset Income Pooled Funds	8.9	-	8.9	4.04%
Total investments	**24.3**	**0.3**	**24.6**	**4.70%**

5.2 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

5.3 The Council is meeting its investment objectives and strategy for 2022/23. Firstly, the amount of short-term liquid cash for investments has been reduced by using it for internal borrowing to support capital expenditure, as outlined previously in sections 3 and 4 of this report. This has reduced the authority's exposure to credit risk. Secondly, the strategic investments in externally managed pooled funds, representing the authority's forecast minimum level of cash reserves and balances over the medium term, have been maintained.

5.4 **Pooled Funds** - Previously, the income returns on these funds, in the region of 4%, comfortably exceeded inflation. However, the returns from these funds are currently significantly lower than inflation, albeit still around 4%. The Multi-Asset Income Funds which invest in a mixture of equities, bonds, property and alternative investments have seen their (unrealised) capital values reduce by about £1.2m over the period to 30 September 2022, reflecting the economic pressure on both equity and bond markets. Over time, these funds are expected to recover their capital value, as happened following the pandemic. Although the short-term outlook for inflation is for it to remain high, the MPC remain committed to their 2% target over the medium term. By continuing to hold the pooled fund investments, the Council should see their capital values increase, avoiding crystalising a loss if the funds were to be redeemed now, and for the income returns, over the medium term, to get to a point where they again exceed inflation.

5.5 The increase in interest rates has been reflected in the returns from the Council's short-term cash investments in Money Market Funds in particular, where returns have risen from 0.6% in April to around 2% by the end of September. Rates for short-term cash investments are expected to rise in line with interest rate forecasts over the remainder of the current financial year.

5.6 **Investment Benchmarking**

5.6.1 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking for internally managed cash investments in table 6 below.

Table 5: Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure	WAM* (days)	Income Return
FHDC					
31.03.2023	4.84	A+	100%	1	3.65%
30.06.2023	**4.83**	**A+**	**100%**	**1**	**4.42%**
Similar LAs	4.66	A+	65%	45	4.26%
All LAs	4.65	A+	63%	11	4.32%

* Weighted Average Maturity period

5.6.2 The investment benchmarking, which is a snapshot at the end of each quarter, shows the Council's risk profile had increased slightly and was just above both its peer group and the wider local authority population at 30 June 2023 (measured against other Arlingclose clients only). The Council's internally managed cash investments at this point was entirely held in Money Market Funds which reflects the slightly higher credit score, income return and the higher 'bail-in' exposure. Money Market Funds are viewed as highly secure and liquid investment product and the Council follows investment counterparty advice regarding these from Arlingclose.

6. FINANCIAL SUMMARY

6.1 The projected outturn for the net cost of treasury management to the General Fund in 2023/24 is summarised in table 7 below:

Table 6: Financial Summary

	2023/24 Original Estimate	2023/24 Projection	Variance
	£'000	£'000	£'000
Interest on all Borrowing	4,459	4,459	0
Less Capitalised Interest	-	(1,723)	(1,723)
Related HRA Charge	(1,907)	(1,907)	0
General Fund Borrowing Cost	**2,552**	**829**	**(1,723)**
Investment Income	(1,245)	(1,245)	0
HRA Element	311	311	0
General Fund Investment Income	**(934)**	**(934)**	**0**
Net General Fund Borrowing Cost	**1,618**	**(105)**	**1,723**

6.2 The total cost of borrowing is projected to be £4,459k, mainly due to higher interest rates for maturing loans being replaced and new borrowing for capital expenditure. However, the impact to the General Fund has been mitigated through the Council's accounting policy of capitalising interest on qualifying schemes. In 2023/24 capitalised interest is being charged to the Otterpool Park Project.

7. Non-Treasury Investments

7.1 Although not classed as treasury management activities, the 2017 CIPFA Code and the MHCLG Investment Guidance requires the authority to report on investments for policy reasons outside of normal treasury management. This includes service investments for operational and/or regeneration as well as commercial investments which are made mainly for financial reasons. This includes the authority's investment in its wholly owned subsidiary organisations, Oportunitas Limited and Otterpool Park LLP. These are summarised in table 8 below:

Table 7: Non-Treasury Investments

Investment Type	Value 31/03/23 £m	Equated Value 2023/24 £m	Net Income 2023/24 £'000	Equated Rate of Return %
Investment Property				
Otterpool Property	9.6	9.6	487	(5.05)
Offices	17.2	17.2	(578)	3.35
Commercial Land	0.4	0.4	-	-
Commercial Units	2.4	2.4	(129)	5.37
Assets Under Construction	-	-	-	-
Total Investment Property	**29.6**	**29.6**	**(220)**	**(3.67)**
Subsidiary Companies				
Oportunitas loan	5.8	5.8	(206)	4.88
Oportunitas equity	2.3	2.3	32	(3.46)
Oportunitas - Total	8.1	8.1	(174)	1.42
Otterpool Park LLP equity	1.5	1.7	45	(3.00)
Otterpool Park LLP loan	7.8	11.9	(309)	3.21
Otterpool Park LLP - Total	9.3	13.6	(264)	0.21
Total Subsidiaries	**17.4**	**20.7**	**(438)**	**1.63**
Total	**47.0**	**50.3**	**(658)**	**(2.04)**

7.2 The net income and rate of return excludes the impact of any unrealised property valuation gains or losses. Ordinarily the rate of return on non-treasury investment assets would be expected to be higher than that earned on treasury investments reflecting the additional risks to the Council of holding such investments. This is demonstrated with the return on the commercial units and the loans being made to the Council's subsidiary organisations.

8. COMPLIANCE REPORT

8.1 The Director of Corporate Services is pleased to report that all treasury management activities undertaken to 30 June 2023 complied fully with the CIPFA Code of Practice and the authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 9 below.

Table 8: Investment Limits

	Actual 30.6.23	2023/24 Limit	Complied
Any single organisation, except UK Government	nil	£5m each	✓
UK Central Government	-	Unlimited	✓
Any group of funds under the same management	nil	£5m per group	✓
Negotiable instruments held in a broker’s nominee account	nil	£10m per broker	✓
Foreign countries	nil	£5m per country	✓
Registered Providers	nil	£15m in total	✓
Unsecured investments with Building Societies	nil	£6m in total	✓
Loans to unrated corporates	nil	£9m in total	✓
Money Market Funds	£10.6m	Unlimited	✓
Strategic Pooled Funds	£15.0m	£25m	✓
Any group of pooled funds under the same management	£7.0m	£10m per manager	✓
Real estate investment trusts	nil	£15m in total	✓

8.2 Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 10 below.

Table 9: Debt Limits

	Maximum to 30.6.23 £m	Actual 30.6.23 £m	2023/24 Operational Boundary £m	2023/24 Authorised Limit £m	Complied
Borrowing	106.6	106.6	171.7	207.6	✓
PFI & finance leases	-	-	-	-	✓
Total debt	**97.7**	**92.7**	**171.7**	**171.7**	✓

8.3 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

9. TREASURY MANAGEMENT INDICATORS

9.1 The authority measures and manages its exposures to treasury management risks using the indicators shown below. The values for the interest rates exposures currently exceed the approved indicators and this is explained below.

9.2 **Security:** The authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating 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.

	Actual 30.6.23	**2023/24 Target**	**Complied**
Portfolio average credit rating	AA-	A	✓

9.3 **Liquidity:** The authority 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.

	Actual 30.6.23	**2023/24 Target**	**Complied**
Total cash available within 3 months	£9.2m	£5m	✓

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

	Actual 30.6.23	**2023/24 Limit**	**Complied**
Upper limit on one-year revenue impact of a 1% **rise** in interest rates	£130,000	£191,000	✓
Upper limit on one-year revenue impact of a 1% **fall** in interest rates	(£130,000)	(£191,000)	✓

9.4.1 The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates. This is an advisory indicator designed to reduce the authority's exposure to interest rate changes on variable debt and investments.

10. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

10.1 Legal Officer's Comments (NE)

There are no legal implications arising directly out of this report. Part 1 of the Local Government Act 2003 gives the Council the power to borrow and to invest for any purpose relevant to its functions or for the purposes of the prudent management of its financial affairs. It also requires the Council to act prudently when carrying out these activities, including an obligation to determine and keep under review how much money it can borrow. In addition, the Council is required by the Local Government Finance Act 1992 to produce a balanced budget. The Council must bear in mind its fiduciary duties to local taxpayers and its continuing obligation to ensure it has funding to perform the statutory undertakings it has to comply with.

10.2 Finance Officer's Comments (DL)

Prepared by Financial Services, no further comments.

10.3 Diversities and Equalities Implications

The report does not cover a new service or policy or a revision of either and therefore does not require an Equality Impact Assessment.

10.4 Communications (KA)

10.5 Climate Change Implications (OF)

There are no climate change implications arising directly from this report. It updates Cabinet on the treasury management activities undertaken so far during the 2022-23 financial year and confirms all borrowing and investment decision were made in accordance with the approved strategy for the year.

11. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

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The following background documents have been relied upon in the preparation of this report: None

Appendices:
Appendix 1 – Borrowing, Loans held at 30 June 2023
Appendix 2 – Investment held at 30 June 2023

APPENDIX 1 – BORROWING, LOANS HELD AT 30 June 2023

Lender	Loan No	Loan Type	Start Date	Maturity Date	Principal Outstanding 30/06/2023	Interest Rate
					£	%
Public Works Loan Board	430141	Annuity	09/11/1973	01/11/2033	3,485.16	11.38
Public Works Loan Board	488942	Fixed	12/08/2004	07/08/2034	2,000,000.00	4.80
Public Works Loan Board	492233	Fixed	28/09/2006	15/03/2054	2,000,000.00	4.05
Public Works Loan Board	493698	Fixed	10/08/2007	07/08/2055	2,500,000.00	4.55
Public Works Loan Board	493914	Fixed	10/09/2007	07/02/2053	2,500,000.00	4.55
Public Works Loan Board	494027	Fixed	31/10/2007	15/03/2044	2,000,000.00	4.65
Public Works Loan Board	494028	Fixed	31/10/2007	15/03/2045	2,000,000.00	4.65
Public Works Loan Board	494029	Fixed	31/10/2007	15/03/2046	2,141,190.00	4.65
Public Works Loan Board	500537	Fixed	28/03/2012	28/03/2031	4,010,000.00	3.26
Public Works Loan Board	500538	Fixed	28/03/2012	28/03/2028	4,000,000.00	3.08
Public Works Loan Board	500540	Fixed	28/03/2012	28/03/2025	4,000,000.00	2.82
Public Works Loan Board	500541	Fixed	28/03/2012	28/03/2029	4,000,000.00	3.15
Public Works Loan Board	500542	Fixed	28/03/2012	28/03/2030	4,000,000.00	3.21
Public Works Loan Board	500543	Fixed	28/03/2012	28/03/2027	4,000,000.00	3.01
Public Works Loan Board	500546	Fixed	28/03/2012	28/03/2024	4,000,000.00	2.70
Public Works Loan Board	500548	Fixed	28/03/2012	28/03/2026	4,000,000.00	2.92
Public Works Loan Board	602621	Fixed	28/02/2023	28/02/2024	10,000,000.00	4.54
Public Works Loan Board	609700	Fixed	27/03/2023	27/03/2035	10,000,000.00	3.93
Total - Public Works Loan Board					**67,154,675.16**	
Leicester City Council	3092	Fixed	31/01/2022	31/01/2024	5,000,000.00	0.40
Leicester City Council	3095	Fixed	22/03/2022	22/03/2024	5,000,000.00	1.25
Cornwall Council	3097	Fixed	14/10/2022	14/10/2025	5,000,000.00	5.00
Leicester City Council	3098	Fixed	14/10/2022	14/10/2025	5,000,000.00	5.00
West Midlands Combined Authority	3099	Fixed	31/01/2023	30/01/2024	5,000,000.00	4.00
South Cambridgeshire District Council	3104	Fixed	27/02/2023	14/12/2023	2,000,000.00	4.45
North Herfordshire District Council	3103	Fixed	28/02/2023	30/11/2023	2,000,000.00	4.40
Lichfield District Council	3101	Fixed	09/03/2023	07/03/2024	2,000,000.00	4.40
East Sussex County Council	3102	Fixed	21/03/2023	19/03/2024	5,000,000.00	4.50
North Somerset Council	3105	Fixed	09/03/2023	07/03/2024	3,000,000.00	4.70
Folkestone Town Council	n/a	Variable - 2 day call notice	Various May 2018	n/a	500,000.00	0.00
Total - Borrowing at 30/06/2023					**106,654,675.16**	

APPENDIX 2 – INVESTMENTS HELD AT 30 June 2023

Category and Counterparty	Amount or Value £	Terms	Indicative Interest Rate or Yield %
Money Market Funds			
Aberdeen Standard MMF	4,210,000	No notice instant access	4.80
Federated MMF	1,245,000	No notice instant access	4.71
Northern Trust MMF	5,000,000	No notice instant access	4.67
Goldman Sachs MMF	120,000	No notice instant access	4.70
Other Pooled Funds			
Commercial Property Funds			
CCLA Property Fund	5,186,102	No specified maturity date	5.56
Multi-Asset Income Funds			
CCLA Diversified Income Fund	1,845,918	No specified maturity date	2.44
UBS Multi-Asset Income Fund	751,683	No specified maturity date	4.24
Aegon Asset Management Diversified Monthly Income Fund	3,129,501	No specified maturity date	5.73
Ninety-One Diversified Income Fund	3,160,534	No specified maturity date	3.75
Total Investments	**24,648,738**		4.72%