This Report will be made public on 5 December 2023

Folkestone & Hythe District Council

Report Number **C/23/72**

To:	**Cabinet**
Date:	**13 December 2023**
Status:	**Non-Key Decision**
Head of Service:	**Lydia Morrison – Interim Director Governance and Finance**
Cabinet Member:	**Councillor Tim Prater, Deputy Leader and Cabinet Member for Finance and Governance**

SUBJECT:	**TREASURY MANAGEMENT 23/24 QUARTER TWO 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/23/72.**

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 the 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.

1.4 Treasury Management is an integral part of the Council's overall finances, and the performance of this area is very important. Whilst individual years obviously matter, performance is best viewed on a medium / long term basis. The action taken in respect of the debt portfolio and long-term investment in recent years has been extremely beneficial. Short term gains might, on occasions, be sacrificed for longer term certainty and stability.

1.5 The criteria for lending to Banks are derived from the list of approved counter parties provided by the Council's Treasury Management advisors, Arlingclose. The list is amended to reduce the risk to the Council by removing the lowest rated counterparties and reducing the maximum loan duration.

2. ECONOMIC UPDATE AND INTEREST RATE OUTLOOK

2.1 **Economic background:** UK inflation remained stubbornly high over much the period compared to the US and euro zone, keeping expectations elevated of how much further the Bank of England (BoE) would hike rates compared to the regions. However, inflation data published in the latter part of the period undershot expectations, causing financial markets to reassess the peak in BoE Bank Rate. This was followed very soon after by the BoE deciding to keep Bank Rate on hold at 5.25% in September, against expectation for another 0.25% rise.

2.2 Economic growth in the UK remained relatively weak over the period. In calendar Q2 2023, the economy expanded by 0.4%, beating expectations of a 0.2% increase. However, monthly GDP data showed a 0.5% contraction in July, the largest fall to date in 2023 and worse than the 0.2% decline predicted which could be an indication the monetary tightening cycle is starting to cause recessionary or at the very least stagnating economic conditions.

2.3 July data showed the unemployment rate increased to 4.3% (3mth/year) while the employment rate rose to 75.5%. Pay growth was 8.5% for total pay (including bonuses) and 7.8% for regular pay, which for the latter was the highest recorded annual growth rate. Adjusting for inflation, pay growth in real terms were positive at 1.2% and 0.6% for total pay and regular pay respectively.

2.4 Inflation continued to fall from its peak as annual headline CPI declined to 6.7% in July 2023 from 6.8% in the previous month against expectations for a tick back up to 7.0%. The largest downward contribution came from food prices. The core rate also surprised on the downside, falling to 6.2% from 6.9% compared to predictions for it to only edge down to 6.8%.

2.5 The Bank of England's Monetary Policy Committee continued tightening monetary policy over most of the period, taking Bank Rate to 5.25% in August. Against expectations of a further hike in September, the Committee voted 5-4 to maintain Bank Rate at 5.25%. Each of the four dissenters were in favour of another 0.25% increase.

2.6 Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data gave some indication that higher interest rates were working. Expectations fell from predicting a peak of over 6% in June to 5.5% just ahead of the September MPC meeting, and to then expecting 5.25% to be the peak by the end of the period.

2.7 Following the September MPC meeting, Arlingclose, the authority's treasury adviser, modestly revised its interest forecast to reflect the central view that 5.25% will now be the peak in Bank Rate. In the short term the risks are to the upside if inflation increases again, but over the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.

2.8 The lagged effect of monetary policy together with the staggered fixed term mortgage maturities over the next 12-24 months means the full impact from Bank Rate rises are still yet to be felt by households. As such, while consumer confidence continued to improve over the period, the GfK measure hit -21 in September, it is likely this will reverse at some point. Higher rates will also impact business and according to S&P/CIPS survey data, the UK manufacturing and services sector contracted during the quarter with all measures scoring under 50, indicating contraction in the sectors.

2.9 **Financial markets:** Financial market sentiment and bond yields remained volatile, with the latter generally trending downwards as there were signs inflation, while still high, was moderating and interest rates were at a peak.

Gilt yields fell towards the end of the period. The 5-year UK benchmark gilt yield rose from 3.30% to peak at 4.91% in July before trending downwards to 4.29%, the 10-year gilt yield rose from 3.43% to 4.75% in August before declining to 4.45%, and the 20-year yield from 3.75% to 4.97% in August and then fell back to 4.84%. The Sterling Overnight Rate (SONIA) averaged 4.73% over the period.

2.10 **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. This stance continued to be maintained at the end of the period.

2.11 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 September 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	30.9.23 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)	- 2.6	(14.0) (7.7)
Total investments	**(24.3)**	**2.6**	**(21.7)**
Net borrowing	**82.7**	**2.2**	**84.9**

3.3 The overall increase of £2.2m 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. Bank Rate rose 1% from 4.25% at the beginning of April to 5.25% at the end of September. Bank rate was 2% higher than at the end of September 2022.

UK gilt yields faced upward pressure since early April following signs that UK growth has been more resilient, inflation stickier than expected, and that the Bank of England saw persistently higher rates through 2023/24 as key to dampening domestic demand. Gilt yields, and consequently, PWLB borrowing rates, rose and broadly remained at elevated levels. On 30th September, the PWLB certainty rates for maturity loans were 5.26% for 10-year loans, 5.64% for 20-year loans and 5.43% 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 30 September 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 30 September are summarised in Table 3 below.

Table 3: Borrowing Position – Two-Pool Debt Approach

	31.3.23 Balance £m	**Net Movement £m**	**30.9.23 Balance £m**	**30.9.23 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 CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes in December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

5.2 The Treasury Management Strategy Statement (TMSS) for 2023/24 sets out the Council's investment priorities as being:

- Security (of Capital).
- Liquidity.
- Yield.

5.3 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Arlingclose suggested creditworthiness approach.

5.4 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the period to 30 September 2023, the authority's investment balance has ranged between £20m 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 September 2023 is shown in table 4 below. A list of the individual investments held at 30 September 2023 is shown in appendix 2 to this report.

Table 4: Investment Position

	31.3.23 Balance £m	Net Movement £m	30.9.23 Balance £m	Average Return
Money Market Funds	10.2	(2.6)	7.7	5.34%
Commercial Property Pooled Fund	5.1	-	5.1	5.85%
Multi-Asset Income Pooled Funds	8.9	-	8.9	4.96%
Total investments	**24.3**	**(2.6)**	**21.7**	**5.30%**

5.5 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.

5.6 The Council is meeting its investment objectives and strategy for 2023/24. 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.

5.7 **Pooled Funds** - £15m of the Authority's investments is invested in externally managed strategic pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an average return of 4.74%.

5.8 Financial market conditions were volatile during the six-month period. Global bond yields rose and remained elevated as it became apparent that policymakers were looking to keep rates high for some time amid persistently higher core inflation and tight labour markets.

5.9 Investor sentiment for UK commercial property was more settled than in Q3 and Q4 of 2022 when the sharp rise in bond yields resulted in a big fall in property valuations. There were signs of returning investor interest, occupier resilience and a perception that the downturn in commercial real estate may be bottoming out. It helped rental income and led to some stabilisation in capital values. However, the combination of high interest rates and bond yield, higher funding costs and the prospect of sluggish economic growth constrain the outlook for commercial property.

5.10 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 4.2% in April to around 5.3% 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.

5.11 **Investment Benchmarking**

5.11.1 The progression of risk and return metrics are shown in the extracts from Arlingclose quarterly investment benchmarking for internally managed cash investments in table 5 below.

<u>Table 5: Investment Benchmarking</u>

	Credit Score	Credit Rating	Bail-in Exposure	WAM* (days)	Income Return
<u>FHDC</u>					
31.03.2023	4.84	A+	100%	1	3.65%
30.09.2023	**4.70**	**A+**	**100%**	**1**	**4.74%**
Similar LAs	4.43	AA-	56%	63	4.71%
All LAs	4.47	AA-	59%	13	4.49%

* Weighted Average Maturity period

5.11.2 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 September 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 6 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	-	(1,591)	(1,591)
Related HRA Charge	(1,907)	(1,907)	0
General Fund Borrowing Cost	**2,552**	**961**	**(1,591)**
Investment Income	(1,245)	(1,282)	(37)
HRA Element	311	311	0
General Fund Investment Income	**(934)**	**(971)**	**0**
Net General Fund Borrowing Cost	**1,618**	**(10)**	**(1,628)**

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 The definition of investments in the Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e., management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

7.2 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return. This includes the authority's investment in its wholly owned subsidiary organisations, Oportunitas Limited and Otterpool Park LLP. These are summarised in table 7 below:

Table 7: Non-Treasury Investments

Investment Type	Value 31/03/23	Equated Value 2023/24	Net Income 2023/24	Equated Rate of Return
	£m	£m	£'000	%
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)**

7.3 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 Interim Director of Governance and Finance is pleased to report that all treasury management activities undertaken to 30 September 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 8 below.

Table 8: Investment Limits

	Actual 30.9.23	**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	£7.7m	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 9 below.

Table 9: Debt Limits

	Maximum to 30.9.23 £m	**Actual 30.9.23 £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 30.9.23	**2023/24 Target**	**Complied**
Portfolio average credit rating	A+	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 30.9.23	**2023/24 Target**	**Complied**
Total cash available within 3 months	£7.8m	£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 30.9.23	**2023/24 Limit**	**Complied**
Upper limit on one-year revenue impact of a 1% **rise** in interest rates	£128,000	£191,000	✓
Upper limit on one-year revenue impact of a 1% **fall** in interest rates	(£128,000)	(£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 September 2023
Appendix 2 – Investment held at 30 September 2023

APPENDIX 1 – BORROWING, LOANS HELD AT 30 September 2023

Lender	Loan No	Loan Type	Start Date	Maturity Date	Principal Outstanding 30/09/2023	Interest Rate	Broker Name	Long Term	Short Term
					£	%			
Public Works Loan Board	430141	Annuity	09/11/1973	01/11/2033	3,485.16	11.38		3,485.16	
Public Works Loan Board	488942	Fixed	12/08/2004	07/08/2034	2,000,000.00	4.80		2,000,000.00	
Public Works Loan Board	492233	Fixed	28/09/2006	15/03/2054	2,000,000.00	4.05		2,000,000.00	
Public Works Loan Board	493698	Fixed	10/08/2007	07/08/2055	2,500,000.00	4.55		2,500,000.00	
Public Works Loan Board	493914	Fixed	10/09/2007	07/02/2053	2,500,000.00	4.55		2,500,000.00	
Public Works Loan Board	494027	Fixed	31/10/2007	15/03/2044	2,000,000.00	4.65		2,000,000.00	
Public Works Loan Board	494028	Fixed	31/10/2007	15/03/2045	2,000,000.00	4.65		2,000,000.00	
Public Works Loan Board	494029	Fixed	31/10/2007	15/03/2046	2,141,190.00	4.65		2,141,190.00	
Public Works Loan Board	500537	Fixed	28/03/2012	28/03/2031	4,010,000.00	3.26		4,010,000.00	
Public Works Loan Board	500538	Fixed	28/03/2012	28/03/2028	4,000,000.00	3.08		4,000,000.00	
Public Works Loan Board	500540	Fixed	28/03/2012	28/03/2025	4,000,000.00	2.82		4,000,000.00	
Public Works Loan Board	500541	Fixed	28/03/2012	28/03/2029	4,000,000.00	3.15		4,000,000.00	
Public Works Loan Board	500542	Fixed	28/03/2012	28/03/2030	4,000,000.00	3.21		4,000,000.00	
Public Works Loan Board	500543	Fixed	28/03/2012	28/03/2027	4,000,000.00	3.01		4,000,000.00	
Public Works Loan Board	500546	Fixed	28/03/2012	28/03/2024	4,000,000.00	2.70		0.00	4,000,000.00
Public Works Loan Board	500548	Fixed	28/03/2012	28/03/2026	4,000,000.00	2.92		4,000,000.00	
Public Works Loan Board	602621	Fixed	28/02/2023	28/02/2024	10,000,000.00	4.54		0.00	10,000,000.00
Public Works Loan Board	609700	Fixed	27/03/2023	27/03/2035	10,000,000.00	3.93		10,000,000.00	
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	ICAP		5,000,000.00
Leicester City Council	3095	Fixed	22/03/2022	22/03/2024	5,000,000.00	1.25	ICAP		5,000,000.00
Cornwall Council	3097	Fixed	14/10/2022	14/10/2025	5,000,000.00	5.00	Imperial Treasury	5,000,000.00	
Leicester City Council	3098	Fixed	14/10/2022	14/10/2025	5,000,000.00	5.00	Imperial Treasury	5,000,000.00	
West Midlands Combined Authority	3099	Fixed	31/01/2023	30/01/2024	5,000,000.00	4.00	Imperial Treasury		5,000,000.00
South Cambridgeshire District Council	3104	Fixed	27/02/2023	14/12/2023	2,000,000.00	4.45	ICAP		2,000,000.00
North Herfordshire District Council	3103	Fixed	28/02/2023	30/11/2023	2,000,000.00	4.40	ICAP		2,000,000.00
Lichfield District Council	3101	Fixed	09/03/2023	07/03/2024	2,000,000.00	4.40	ICAP		2,000,000.00
East Sussex County Council	3102	Fixed	21/03/2023	19/03/2024	5,000,000.00	4.50	Imperial Treasury		5,000,000.00
North Somerset Council	3105	Fixed	09/03/2023	07/03/2024	3,000,000.00	4.70	ICAP		3,000,000.00
Folkestone Town Council	n/a	Variable - 2 day call notice	Various May 2018	n/a	500,000.00	0.00			500,000.00
Total - Borrowing at 30/09/2023					**106,654,675.16**			63,154,675.16	43,500,000.00

APPENDIX 2 – INVESTMENTS HELD AT 30 September 2023

Category and Counterparty	Amount or Value £	Terms	Indicative Interest Rate or Yield %
Money Market Funds			
Aberdeen Standard MMF	0	No notice instant access	5.27
Federated MMF	5,000,000	No notice instant access	5.35
Northern Trust MMF	2,660,000	No notice instant access	5.31
Goldman Sachs MMF	0	No notice instant access	5.21
Other Pooled Funds			
Commercial Property Funds			
CCLA Property Fund	5,198,893	No specified maturity date	5.85
Multi-Asset Income Funds			
CCLA Diversified Income Fund	1,826,855	No specified maturity date	3.25
UBS Multi-Asset Income Fund	751,683	No specified maturity date	5.35
Aegon Asset Management Diversified Monthly Income Fund	3,129,501	No specified maturity date	6.83
Ninety-One Diversified Income Fund	3,160,534	No specified maturity date	3.99
Total Investments	**21,727,467**		5.30%