

Treasury Management Sub-Committee Agenda

21 October 2019 at 7pm

**Crompton Room, Civic Centre,
Duke Street, Chelmsford**

Membership

Councillor C.K. Davidson (Chair)

and Councillors

M.W. Bracken, D.J.R. Clark, P.H. Clark and J.M.C Raven

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Council staff will also be available to offer advice in the Civic Centre for up to half an hour before the start of the meeting.

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TREASURY MANAGEMENT SUB-COMMITTEE

21 October 2019

AGENDA

PART I

1. **APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

2. **MINUTES**

To consider the minutes of the meeting held on 20 June 2019.

3. **PUBLIC QUESTION TIME**

4. **DECLARATION OF INTERESTS**

All Members are reminded that they must disclose any interests they know they have in items of business on the meeting's agenda and that they must do so at this point on the agenda or as soon as they become aware of the interest. If the interest is a Disclosable Pecuniary Interest they are also obliged to notify the Monitoring Officer within 28 days of the meeting.

5. **TREASURY MANAGEMENT MID YEAR REVIEW 2019/20**

6. **URGENT BUSINESS**

To consider any other matter which, in the opinion of the Chair, should be considered by reason of special circumstances (to be specified) as a matter of urgency.

PART II (EXEMPT ITEMS)

To consider whether the public (including the press) should be excluded from the meeting during consideration of the following agenda items on the grounds that it involves the likely disclosure of exempt information specified in the appropriate paragraph or paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972 indicated in the Agenda item.

MINUTES

of the

TREASURY MANAGEMENT SUB-COMMITTEE

held on 20 June 2019 at 7pm

Present:

Councillor C.K. Davidson (Chair), Councillors M.W. Bracken, D.J.R. Clark, P.H. Clark and J. Galley

1. **Apologies for Absence and Substitutions**

Apologies for absence were received from Councillor Raven. Councillor Galley was appointed as substitute for Councillor Raven.

2. **Minutes**

The minutes of the meeting held on 17 December 2018 were confirmed as a correct record and signed by the Chair.

3. **Public Question Time**

There were no questions from members of the public.

4. **Declaration of Interests**

All Members were reminded to declare any Disclosable Pecuniary interests or other registerable interests where appropriate in any items of business on the meeting's agenda. None were made.

5. **Treasury Management Outturn Report 2018/19**

The Sub-Committee considered a draft report to the Cabinet on 1 July 2019 regarding the Treasury Management outturn for 2018/19. It was noted that under statute and the CIPFA code on Treasury Management, members were required to receive a report on the Treasury Management activities that took place on 2018/19.

The report contained a review of the overall Treasury Management functions including rates of return on investments in 2018/19. It was noted that during the financial year, Treasury Management had operated within the Council's Policies and Prudential indicators.

The Sub-Committee was informed that paragraph 3.3 of the report detailed that the total invested sum had decreased but this was due to capital spending on projects such as the Riverside redevelopment. The Sub-Committee was also informed that the total sum invested did vary throughout the year due to changes such as Council tax collection.

RESOLVED that the Treasury Management Outturn Report for 2018/19 before the Sub-Committee be endorsed and recommended to Cabinet for approval.

(7pm to 7.13pm)

Exclusion of the Public

RESOLVED that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for Item 6 on the grounds that it involved the likely disclosure of exempt information falling within paragraph 3 of Part 1 of Schedule 12A to the Act.

6. Strategic Investment Proposals

The Sub-Committee received a report asking them to consider the risks and benefits of investing a further £10m in external funds. The Sub-Committee was informed that in February 2019, Full Council had requested that the Sub-Committee consider the issue.

The Sub-Committee were taken through the appendix to the report which was from the Council's treasury advisors and detailed a recommended portfolio of strategic funds. They were asked to consider if they were sufficiently beneficial to undertake and that they were within the risk appetite of the Council and that the risk alleviations were appropriate.

A member of the Sub-Committee expressed their considerable concerns that the Council was proposing to invest additional funds externally in addition to the large sum already invested. He stated that the risk was too high and that once invested the money was outside of the Council's control. He stated that risk levels were very high globally due to areas of uncertainty and that investing a further £10m externally was unnecessary, especially before knowing the plans of the new administration.

The Council's treasury advisors Arlingclose introduced the proposed portfolio to the Sub-Committee. The Sub-Committee was informed that Arlingclose mainly worked with local authorities and were paid an annual fee for providing advice on treasury management. Arlingclose stated that the Council had maintained a considerable investment directly managed investment portfolio for a significant period alongside not having to borrow money from other sources. However, as these funds were invested in cash based products, those funds had produced returns below the level of inflation. Members were informed that the portfolio targeted an interest rate of 4% p/a but were reminded that past performance was not a guaranteed indicator for the future.

In response to questions from members, Arlingclose and Council officers informed them that;

- It was possible to withdraw from the CCLA fund if one month's notice was provided. The other proposed funds had shorter settlement terms.
- The CCLA property fund investment contained a £1.7m unrealised capital gain.
- There would always be a risk with any investment but that the portfolio had been selected to be in line with the Council's appetite for risk. The portfolio was also designed to reduce volatility in its value by being comprised of contrasting funds.
- The portfolio offered a good return but would increase risk, however most of Arlingclose's local authority clients were undertaking this approach.
- A breakdown of the derivatives on each fund would be provided by Arlingclose after the meeting.

- The Sub-Committee were being asked to consider the risk appetite detailed in the portfolio. The monitoring of each fund would be undertaken by Arlingclose and the Director of Finance would undertake actions such as fund withdrawals should a trend of underperformance occur.
- Each fund in the portfolio was closely monitored by Arlingclose and meetings with each fund manager took place at least twice a year.
- The amount of money available to invest did vary due to use of reserves, Community Infrastructure Levy income, business rates and other factors.
- The uncertainty of Brexit was a concern for many issues moving forward, but the portfolio had been designed to be diverse and Arlingclose were confident in its composition. Events like Brexit should be seen as having temporary effects on fund values and by holding the funds long term should ensure long term preservation of investment values.
- The £10m available need not be invested immediately and the phasing of any investments would be considered.
- Corporate bonds had been selected for the portfolio over equity bonds as they were less volatile and are suited the Council's risk appetite.
- Many local authorities had both investments and borrowing, it was not uncommon.

All Members agreed that any investment was a risk, but the majority held the view that this additional £10m investment with external fund managers was an acceptable level of risk and within the Council's risk appetite. The Sub-Committee agreed that they were happy with the portfolio and strategy and that it would then be up to officers to manage the investments with the treasury advisors.

Councillor P Clark asked that his concerns be noted and that he was not in favour of the additional investment.

RESOLVED that the Sub-Committee;

1. had considered the risks and benefits of a further £10m investment in strategic external funds and;
2. agreed that the recommended portfolio of strategic funds identified by the Council's treasury management advisors is sufficiently beneficial to undertake, that it is within the risk appetite of the Council and that the risk alleviations are appropriate.

(7.14pm to 8.43pm)

7. **Urgent Business**

There were no matters of urgent business brought before the Sub-Committee.

The meeting closed at 8.32pm.

Chair

TREASURY MANAGEMENT SUB-COMMITTEE

21st October 2019

AGENDA ITEM 5

Subject	TREASURY MANAGEMENT MID YEAR REVIEW 2019-20
Report by	DIRECTOR OF FINANCIAL SERVICES

Enquiries contact: Phil Reeves, Accountancy Services Manager
(phil.reeves@chelmsford.gov.uk , 01245 606562)

Purpose

To update the Sub-Committee on Treasury Management activities and recommend a Mid-Year Treasury Management report to Cabinet and then Full Council

Recommendation(s)

That the sub-committee:

1. Review the attached draft Cabinet report and agree the investment strategy is appropriate balance of risk and return for the Council
2. Recommend the Treasury Management Mid-Year Review report to Cabinet

Corporate Implications

Legal:	The CIPFA code which is backed by legislation requires that a report is made to Members formally on investment activity. This report fulfils that obligation.
Financial:	Treasury Management activities will have a significant impact on the Council's finances. The impact will arise from interest income and borrowing costs charged to the Council's revenue budget.
Personnel:	
Risk Management:	This report identifies the mitigations to the risks of undertaking any treasury management activity and provides an opportunity to review compliance with the approved strategy

Equalities and Diversity: (For new or revised policies or procedures has an equalities impact assessment been carried out? Y/N)	
Health and Safety:	
IT:	
Other:	

Consultees	None.
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Policies and Strategies

The report takes into account the following policies and strategies of the Council:

Treasury Management Strategy 2019/20

1. Background

- 1.1 Cabinet and Council are legally responsible for treasury management. The attached draft report enables Cabinet and Council to review treasury management activity outside of the normal budget process. The Council is legally required to undertake this mid-year review.
- 1.2 The report in **Appendix A** complies with the CIPFA Code of Practice and covers the following:
 - A review of the Council's investments at 31/08/2019 and
 - Identification of any proposed changes
- 1.3 Members of the sub-committee are able to amend the contents of the attached report and thereby recommend changes to how the Council invests its money.

List of Appendices

Appendix A – Cabinet Report on TREASURY MANAGEMENT MID-YEAR REVIEW 2019/20

Background Papers

Nil

CABINET
19th November 2019

AGENDA ITEM x

Subject	TREASURY MANAGEMENT MID-YEAR REVIEW 2019/20
Report by	Cabinet Member for Fairer Chelmsford

Enquiries contact: Phil Reeves, Accountancy Services Manager
(phil.reeves@chelmsford.gov.uk , 01245 606562)

Purpose

To inform members of the Treasury Management (TM) activities undertaken in the first part of 2019/20 and report on compliance with the approved TM Strategy and consider whether any changes to the Strategy are required ahead of the full, annual review later in the financial year .

Options

- | | |
|----|---|
| 1. | Accept the recommendations contained within the report |
| 2. | Recommend changes to the way by which the Council's investments are to be managed |

Recommendation(s)

It is recommended that the Cabinet accepts the report as endorsed by the Treasury Management Sub-Committee of the Audit & Risk Committee and recommends to Council that:

1. The Council should note Treasury Management operations in the period.
2. To provide increased flexibility to fund the Council's capital expenditure plans, the maximum level of permitted external debt be increased by £25m to £45m. The Director of Finance will determine the appropriate mix of internal or external borrowings.

Corporate Implications	
Legal:	The CIPFA code which is backed by legislation requires that a report is made to Members formally on investment activity. This report fulfils that obligation.
Financial:	Treasury Management activities will have a significant impact on the Council's finances. The impact will arise from interest income and borrowing costs charged to the Council's revenue budget.
Personnel:	None
Risk Management:	This report identifies the mitigations to the risks of undertaking any treasury management activity and provides an opportunity to review compliance with the approved strategy
Equalities and Diversity: (For new or revised policies or procedures has an equalities impact assessment been carried out? Y/N)	None
Health and Safety:	None
IT:	None
Other:	None

Consultees	Audit & Risk Committee
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Policies and Strategies
Treasury Management Strategy 2019/20 Capital and investment Strategy 2019/20

1. Background

- 1.1 Under statute and the CIPFA Code of Practice on Treasury management ("the Code"), members are required to receive reports on the Council's Treasury management activities.
- 1.2 The Council is required to have overall responsibility for treasury management; this report updates members and provides an opportunity for the Council to consider treasury management activity at a time where the Council is not approving the budget. A Treasury Management Strategy is recommended by Cabinet to Council every year to establish a framework for officers to invest Council funds. The Strategy for 2019/20 was approved by the Council in February.
- 1.3 The Council has cash to invest arising from its revenue activities, capital balances and the collection of Council Tax. This cash can be usefully invested to produce a return to help support the Council's services. The activities around the management of this cash are known as Treasury Management.

- 1.4 Treasury Management is also the monitoring, planning and undertaking of borrowing. The Council may use borrowing to fund capital expenditure. There are effectively two types of borrowing;

- External, where the Council borrows cash from say a bank, local authority or the Government with agreed repayment and interest terms. The Council's revenue budget is annually charged with interest for the loan and a charge is also made for principal debt repayment (**Minimum Revenue Provision**). It is important to note that MRP may assume capital expenditure is repaid over say 50 years but in cash terms for example a 5-year loan may have been agreed so new financing would need to be arranged at the end of this loan.
- Internal, where cash say from Community Infrastructure Levy (CIL) has been received by the Council but is not yet spent so it is 'borrowed' to fund the cash payments on capital expenditure. The Council still has to charge its revenue budget MRP arising from the use of internally borrowed funds and will forgo the income it would have earned had the internally borrowed money been invested.

All borrowing is undertaken by the Director of Finance and the role of members is to provide appropriate limits for borrowing and undertake scrutiny of the borrowing.

- 1.5 It has been previously reported (Capital & Investment Strategy) that the Council was projecting a need to borrow internally to fund the capital programme in 2019/20. Currently the capital programme is being partially funded by internal borrowing. However, changes to timing and funding of the current capital programme plus potential new capital proposals suggest that the Capital programme may require additional borrowing (either internally or externally) above the level previously approved.

2. Treasury Management Activity during the period 1st April 2019 – 31st August 2019

- 2.1 This report complies with the CIPFA Code by identifying the Council's investments and external borrowings as at 31/08/2019 and compares treasury activity to approved strategy. Details of investments as at 31/08/2019 are in **Appendix 1** and below is a summary of activity to date compared to the approved strategy.

Liquidity Management and borrowing

- 2.2 The Council has continued to keep a large proportion of its portfolio available in instant access UK Money markets during 2019/20 in order to allow it to fund the Riverside development and other capital schemes.
- 2.3 The Council has not undertaken any external borrowing in the year to date.
- 2.4 The funding of the Capital programme requires borrowing but that has been internal borrowing, which reduces the amount the Council has to invest, rather than taking external loans.

Counterparty compliance

- 2.5 A breach of Counter Party Limits occurred on the 27th June 2019. This was first time Counter Party controls have failed and the matter was due to human error. An investment of £3m was placed with Lloyds bank on the 27th June, unfortunately there was an existing deposit with Bank of Scotland of £3m. As both banks are part of the same group this meant that the £6m invested was above the authorised group limit of £3m. This error was identified a few days later by existing controls.

- 2.6 The breach of limits continued until the 5th August 2019, given the nature of the investments, it would not have been realistically possible to return to the approved limits earlier.
- 2.7 The risk to Council funds was negligible given the high strength and regulatory scrutiny placed on the Lloyds group.
- 2.8 The breach was caused by a failure to follow the standard process in a period when staff sickness and delayed recruitment left the Finance team under pressure. Had the standard process been followed, the breach would not have occurred. The Finance team's guidance has been expanded to stress the importance of following the standard process.

External Fund Managers

- 2.10 The Council has remained invested in the CCLA Property Fund during 2019/20. The performance of the fund in the first quarter of 2019/20 produced an annualised income of 4.17% based on the current market value of £6.671m.
- 2.11 Unrealised capital growth since 01/05/2013 has been £1.696m based on the valuation as at 31/08/19. The value of the holding has declined by £51,000 since 31st March 2019. No changes to this investment are recommended at this time, however, this will be reviewed in 2020/21 Treasury Management Strategy
- 2.12 Members of the Treasury Sub-committee in June 2019 were consulted on the risks and benefits of increasing by £10m the amount of cash managed by external fund managers. It was agreed the benefits were sufficient to justify their use. The Director of Finance will undertake such investment at an appropriate time and in conjunction with consideration of the Council's overall capital funding position and its liquidity requirements.

Rate of Return

- 2.13 The Bank of England Base rate stands at 0.75%.
- 2.14 Due to the cash demands of the capital programme and the possible increase in use of external managers, officers continued to keep a high proportion of the Council's portfolio in Money Market Funds, with an average of £21m in 2019/20 to date. Since August officers have reduced the amounts in short term Money Market Funds to £12m, offset by an increase in Local Authority deposits with maturity dates in January 2020. As at 31st August 2019 the average rate on the Council's variable rate portfolio stands at 0.75% compared to 0.56% at the end of August 2018.
- 2.15 Fixed term investments which have matured and been reinvested have seen a corresponding increase in prevailing rates at the point of maturity and reinvestment. As at 31st August 2019 the average rate on the Council's fixed portfolio stands at 0.91% compared to 0.72% at the end of August 2018.

- 2.16 The Council had an average yield on its portfolio of 1.24% at 31st August 2019. This compares to 0.99% at 31st March 2019.
- 2.17 Average cash balances to 31st August 2019 were £57m (£84m 2018), this is higher than anticipated due to re-phasing of the capital programme and, alongside interest rate increases, contributes to the projected overperformance of the interest budget for 2019/20.

Bail in Risk

- 2.18 In 2019/20 the Council has continued to prioritise the minimisation of 'bail in'. This is the risk that regulators will step in and enforce losses on depositors in order to recapitalise a failing bank or building society, rather than rely on taxpayer bail outs.
- 2.19 Following advice from Arlingclose, the Council has a relatively narrow pool of banks and building societies with which it is willing to place funds. Once the Council has invested up to the counterparty limit with these banks any remaining funds are placed with UK Local Authorities, which are considered to offer better security.
- 2.20 The table below shows the Council exposure to Bail In Risk. A change has been made from previous practice and Money Market Funds are now shown as subject to Bail In Risk (as they mostly contain bank based investments). Due to this more cautious categorisation comparisons have not been made to previous years. The move away from Money Market Funds in September to increased Local Authority Investment will lower Council exposure over the coming months.

Exposure	As at 31st August 2019
Bail in risk	58%
Exempt from bail in (including CCLA)	42%
Total	100%

3. Challenges to the Strategy

- 3.1 A number of challenges to the Council's strategy have been encountered this year as a result of market conditions.

Low interest rate environment

- 3.2 The direction of travel for interest rates is not clear, there are many political issues which cloud the economic situation. The Council remains in a position where its returns on investment are significantly below the rate of inflation – resulting in the real value of its financial assets being eroded. Officers will continue to monitor interest rate expectations when making investments but do not expect to achieve above inflation rates return without the greater use of external fund managers.

Liquidity Management

- 3.3 The consideration of greater capital investment in external fund managers and likely increase in capital expenditure by the Council mean that investments are likely to continue to be kept relatively short in duration during the rest of 2019/20.

Borrowing

- 3.4 A commercially sensitive proposal is being made to Cabinet in October that may require the use of external borrowing if approved at a later Council meeting. Due to changes to the existing capital programme and proposals for potential new schemes it is recommended that the Treasury Management Strategy is amended so external loan limits are increased by £25m to £35m for 2019/20. This borrowing limit excludes a finance lease borrowing limit of £10m previously agreed, so the overall total limit would be £45m. The external borrowing would only be undertaken if an affordable business case and new capital budgets were to be approved by Full Council.
- 3.6 The Council operates two borrowing limits, the Authorised (maximum limit) which cannot be exceeded without Council agreement and an Operational boundary (which provides an expected level of external debt). The proposed new limits would be:

Authorised 2019/20 to 2021/22 £45m

Operational 2019/20 to 2021/22 £25m

- 3.7 The Director of Finance will determine the mix of internal and external borrowings following advice from the Council's Treasury Management advisors.

4. Conclusions and recommendations

- 4.1 One breach has occurred of Treasury management limits in 2019/20, it had no impact on the Council financial position but is being used as a lesson to reduce ongoing risk of error.
- 4.2 The average return on investments has increased above that of the previous year due to an increase in national interest rates. However, earnings from investments continue to be significantly lower than the rate of inflation.
- 4.3 Proposals for new capital schemes require greater borrowing flexibility and an increase of £25m in the (authorised and operational) external debt limit is recommended. This capacity may not be used but all borrowings would be undertaken by the Director of Finance.

List of Appendices

Appendix 1 - Treasury Management mid-year activity report 2019/20

Background Papers

Nil.

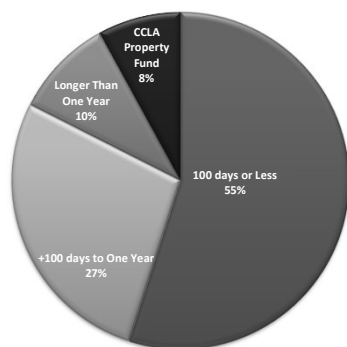
APPENDIX 1

Treasury Management Mid-Year Activity Report for 2019/20

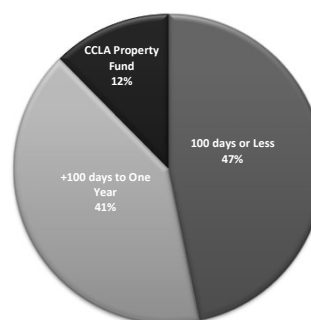
Key Controls - Treasury Management

1) A minimum of 15% of all investments must be invested for periods of 100 days or Less

Investments at 31/08/18 By Length



Investments at 31/08/19 By Length



Investments at:

	31/08/2018	
	£s	%
100 days or Less	45,866,000	55%
+100 days to One Year	23,000,000	28%
Longer Than One Year	8,000,000	10%
CCLA Property Fund	6,660,958	8%
	83,526,958	100%

	31/08/2019	
	£s	%
100 days or Less	25,210,600	47%
+100 days to One Year	22,000,000	41%
Longer Than One Year	0	0%
CCLA Property Fund	6,671,200	12%
	53,881,800	100%

Conclusion: No breach has occurred

2) Upper Limit for total sums invested in the money market for more than 364 days is £13m for 2019/20

Conclusion: No breach has occurred

3) Borrowing Undertaken 2019/20, excluding leasing finance

Authorised Limit of Borrowing
Operational Boundary of Borrowing

Limit
£10m
£0m

Actual
Nil
Nil

No borrowing has been undertaken

Conclusion: No breach has occurred in year to date

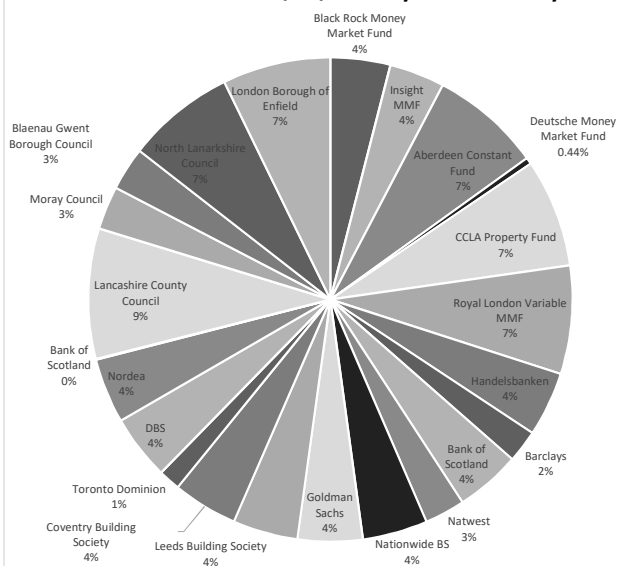
4) Lending to Individual Counter Parties 2019/20

A breach occurred identified in report

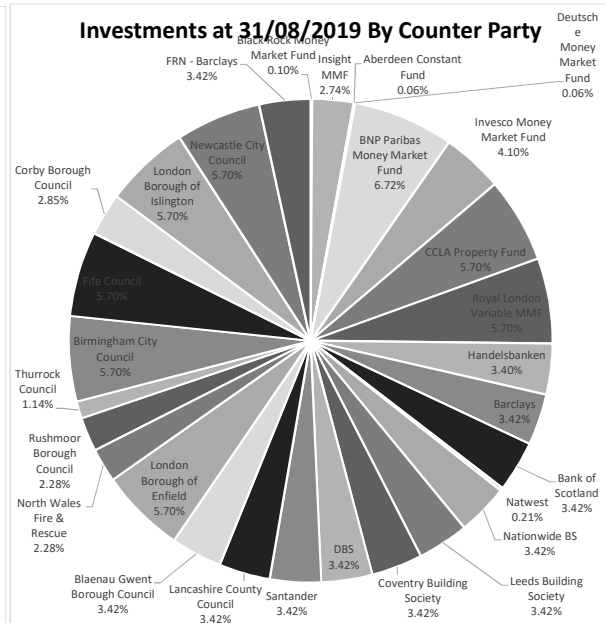
Background Information

1) Deposits Made by Counter Party

Investments at 31/08/2018 By Counter Party



Investments at 31/08/2019 By Counter Party



Counter Party

31/08/2018

31/08/2019 Limits for 2019/20

Money Market Funds & Long Term Funds

	£s	£s	£s
Black Rock Money Market Fund	4,800,000	450,000	6,000,000
Insight MMF	5,812,000	3,566,000	6,000,000
Aberdeen Constant Fund		5,980,000	6,000,000
Federate Prime Money Market Fund		6,000,000	6,000,000
BNP Paribas Money Market Fund			6,000,000
Invesco Money Market Fund	1,002,000	5,985,600	6,000,000
CCLA Property Fund	6,660,958	6,671,200	8,000,000
Royal London Variable MMF	5,000,000		6,000,000
UK Treasury Bills	13,000,000		Unlimited
Handelsbanken	990,000		3,000,000
Lloyds (Bank of Scotland)	3,000,000	3,000,000	3,000,000
Natwest	262,000	229,000	3,000,000
Nationwide BS	3,000,000	3,000,000	3,000,000
Goldman Sachs	3,000,000		3,000,000
DBS	3,000,000	3,000,000	3,000,000
Nordea	3,000,000		3,000,000
Santander	3,000,000		3,000,000

Local Authorities

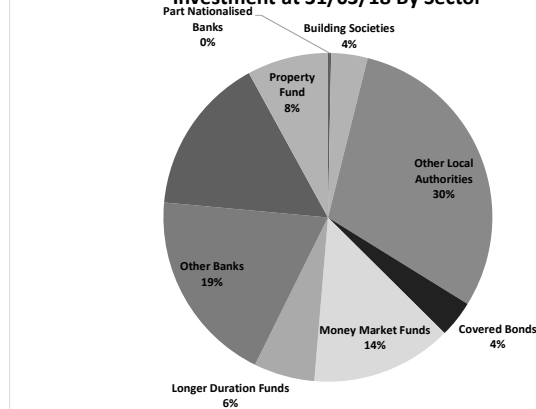
London Borough of Enfield	0		20,000,000
Thurrock Council	3,000,000	3,000,000	20,000,000
Leeds City Council	0	5,000,000	20,000,000
London Borough of Croydon	0	5,000,000	20,000,000
Newcastle City Council	5,000,000		20,000,000
Dundee City Council	3,000,000		20,000,000
Isle of Wight Council	4,000,000		20,000,000
Surrey County Council	5,000,000		20,000,000
London Borough of Croydon	5,000,000		20,000,000

Covered -Fixed and Floating Bonds

FRN - Barclays	3,000,000	3,000,000	6,000,000
	<u>83,526,958</u>	<u>53,881,800</u>	

2) Investment by Financial Sector

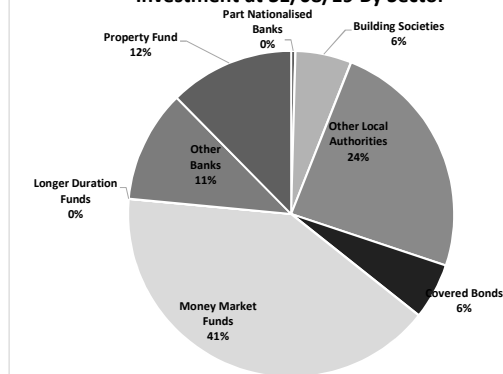
Investment at 31/03/18 By Sector



31/08/2018

	£s	
Part Nationalised Banks	262,000	0%
Building Societies	3,000,000	4%
Other Local Authorities	25,000,000	30%
Covered Bonds	3,000,000	4%
Money Market Funds	11,614,000	14%
Longer Duration Funds	5,000,000	6%
Other Banks	15,990,000	19%
Treasury Bills	13,000,000	16%
Property Fund	6,660,958	8%
	<u>83,526,958</u>	<u>100%</u>

Investment at 31/08/19 By Sector



31/08/2019

	£s	
Part Nationalised Banks	229,000	0%
Building Societies	3,000,000	6%
Other Local Authorities	13,000,000	24%
Covered Bonds	3,000,000	6%
Money Market Funds	21,981,600	41%
Longer Duration Funds	0	0%
Other Banks	6,000,000	11%
Treasury Bills	0	0%
Property Fund	6,671,200	12%
	<u>53,881,800</u>	<u>100%</u>

3) Rate of Return

Comparison of Historic and Annualised Returns to date 2018/19

	<u>01/04/2018 to</u> <u>31/03/2019</u>	<u>01/04/2019 to</u> <u>31/08/2019</u>
Yield CCLA fund	4.40%	4.17%
Running Yield (non-property)	0.62%	0.83%
Running Yield (all)	0.99%	1.25%
3 Month Libid Benchmark	0.71%	0.77%

Comparison of Budgeted Return, Historic Returns and Performance to 31st August

	<u>Budget 2019/20</u>	<u>Projection to</u> <u>year end as at</u> <u>31/08/2019</u>	<u>Notes</u>
Average balance	£53,770,000	£56,481,000	
Gross Budget Projection 2018/19	£542,000	£674,000	
Return %	1.01%	1.19%	

Notes

Higher cash balances than expected in the first half of the year and an increase in interest rates have lead to a higher total interest outturn for 2019/20

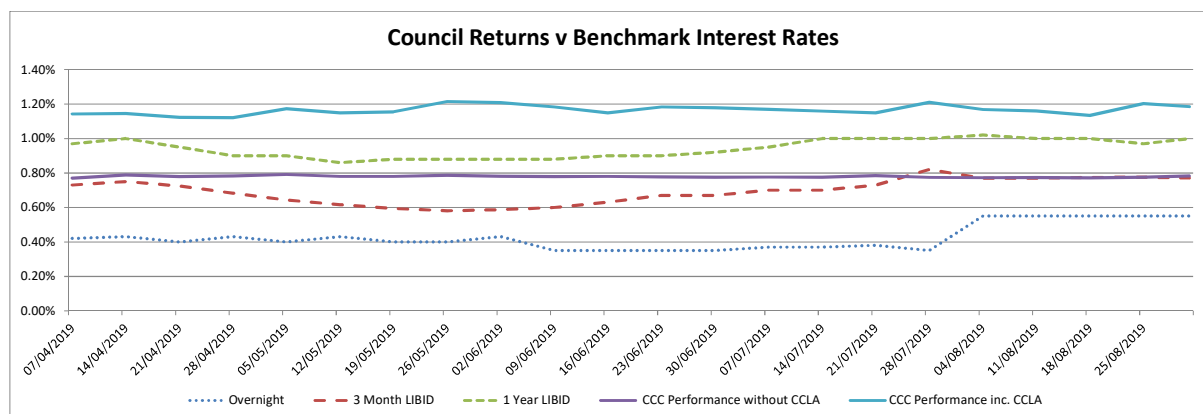
CCLA Fund update (provisional)

Activity

The Council invested on 1/05/2013 in the CCLA property fund. The increase in capital value is not realised until the Council sells units.

The Council has an unrealised gain of :

Council has no. of units	2,226,405
Acquisition price per unit	£2.23460
Current selling price per unit	£2.99640
Total Unrealised Gain	£1,671,075
Value at 31/08/2019	£6,671,200



4) Full List of Investments at 31st August 2019

Counter Party	Start	Maturity	Amount £s	Interest Rate
<u>Instant Access Funds</u>				
*Aberdeen Constant fund			5,980,000	0.73%
*Black Rock			450,000	0.70%
*Federated Investors (UK)			6,000,000	0.77%
*Insight Investment			3,566,000	0.74%
*Invesco			5,985,600	0.76%
NatWest			229,000	0.25%
* Money Market Funds				
Total Variable Temporary Loans			22,210,600	0.75%
<u>Funds Available with Notice</u>				
Nil			0	0.00%
			0	0.00%
<u>Fixed Investments 100 days & under</u>				
Development Bank of Singapore	08-May-19	08-Nov-19	3,000,000	0.94%
Total			3,000,000	0.94%
100 days & under total			25,210,600	0.77%
<u>Total Fixed Investments +100 days to 1 year</u>				
London Borough of Croydon	30-Apr-18	30-Apr-20	5,000,000	1.20%
Leeds City Council	02-Aug-19	31-Jan-20	5,000,000	0.73%
Lloyds	27-Jun-19	27-Dec-19	3,000,000	1.00%
Barclays AAA FRN	20-Jul-17	22-May-20	3,000,000	0.86%
Nationwide	08-Aug-19	10-Feb-20	3,000,000	0.78%
Thurrock Borough Council	30-Aug-19	31-Jan-20	3,000,000	0.77%
Total			22,000,000	0.90%
<u>Fixed Investments over 1 year</u>				
Nil			0	
			0	0.00%
CCLA Property Fund			6,671,200	4.17%
TOTAL INVESTMENTS			53,881,800	1.25%