

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

INFORMATION

Agenda Item No 13

meeting date: 21 JANUARY 2020
title: TREASURY MANAGEMENT MONITORING
submitted by: DIRECTOR OF RESOURCES
principal author: VALERIE TAYLOR

1 PURPOSE

1.1 To provide you with a monitoring report on our treasury management activities for the period 1 April 2019 to 31 December 2019.

1.2 Relevance to the Council's ambitions and priorities:

- In accordance with the corporate strategy priority "to ensure a well-managed Council, by maintaining critical financial management and controls." This report provides members with information regarding the treasury management activities for the period.

1.3 You have previously approved a treasury management policy in accordance with CIPFA's code of practice on treasury management for Local Authorities.

1.4 In accordance with this policy committee receive a quarterly monitoring report on the Council's treasury management operations.

2 BACKGROUND

2.1 Events in recent years have raised the profile of the treasury management function and highlighted the potentially serious risks involved in the management of an organisation's investments and cash flows.

2.2 The Council's approved Treasury Management Policies and Practices set out in detail how we control the risks associated with our treasury management activities, ensuring that we have sufficient liquidity to meet our short-term commitments and capital spending plans and that the overriding concern when investing any surplus funds is the security of the principal invested, with risk limitation being more important than return.

2.3 On a daily basis we assess our cash flow position. To do this we estimate the funds we expect to receive e.g. council tax payments, grants and fees, and deduct any known payments we expect to make e.g. precepts, creditors and salaries.

2.4 On most days the Council is in a position where it has surplus funds available to invest.

2.5 How we invest these surplus funds is governed by the Council's Treasury Management Policies and Practices which are agreed and reported to Policy and Finance Committee and ultimately Full Council.

2.6 The main points being:

- The Council maintains a list of organisations it will lend its surplus funds to, which is regularly reviewed. The current list of approved banks and building societies is shown in section 8 of this report.
- The Council has maximum limits for each bank or building society of £1.75m. The limit for the Debt Management Office (DMO), where the Government guarantees

investments, is currently £5m and the limit for other Local Authorities, Police and Crime Commissioners, Fire and Rescue Services and Transport Authorities is £2.5m per institution.

- The safety of our investments is paramount and not the requirement to maximise returns.
- Our policy has been to only lend to major British Banks and Building Societies relying on the assumption that the Government would be unlikely to allow a major bank/building society to fail.

2.7 The Council borrows any money it requires to fund its capital spending plans from the Public Works Loan Board (PWLB). The PWLB make funds available for long loan periods at interest rates just below market rates and lend to Government and Public sector bodies. The Council rarely borrows to fund its revenue activities and is much more likely at any point in time to have surplus funds to invest.

3 PUBLIC WORKS LOAN BOARD

3.1 In October 2019 the Public Works Loan Board announced an increase in borrowing rates of 1% with effect from 1st November 2019.

3.2 This increase will have no impact in terms of our current loans with the PWLB which are all at fixed rates and financing plans for the current 5-year capital programme does not include a requirement to borrow from the PWLB.

3.3 From 1 November 2012, the Government reduced by 20 basis points (0.20%) the interest rates on loans from the PWLB. The reduction was to be applicable for those councils that provide an annual return providing 'improved information and transparency' on 'borrowing and associated capital spending plans'. This will enable the government to build a more robust forecast of public expenditure.

3.4 A return has been submitted for Ribble Valley Borough Council and we continue to be listed as an eligible council for this certainty discount rate on the PWLB website.

4 BORROWING REQUIREMENTS

4.1 There has been a reduction in the Council's level of external borrowing during the period following payment of the half yearly instalment to the PWLB in September.

	Total £000
External Debt at 1 April 2019	136
Transactions - New Loans	0
- Repayments	-5
External debt at 31 December 2019	131

4.2 No temporary loans were taken out in the current financial period up to December 2019, or in the same period in 2018.

4.3 The half yearly instalment of interest due on the council's external debt was £3,327 and this was paid at the end of September 2019.

5 TEMPORARY INVESTMENTS

- 5.1 In accordance with the approved treasury management policies and practices, surplus funds are temporarily invested via the money market at the best rate of interest available with the minimisation of risk to the capital sum.
- 5.2 The Bank of England base rate increased from 0.50% to 0.75% in August 2018 where it remained at 31 December 2019.
- 5.3 The movement in the Council's external investments during the reporting period are shown in Annex 1 and are summarised below:

	Banks/Building Societies	Other Local Authorities	Total
	£000	£000	£000
Monies Invested at 1 April 2019	4,175	8,000	12,175
Transactions - New Investments	77,485	17,500	94,985
- Repayment of Investments	-74,310	-17,000	-91,310
Monies Invested as at 31 December 2019	7,350	8,500	15,850
Interest April – December 2019			68

- 5.4 Investments were held with the following organisations at 31st December 2019:

Date Invested	Nos	Borrower	Notice	Rate %	£'000
14-Jun-19	48	Lancashire County Council	12-Jun-20	0.95%	2,500
20-Sep-19	94	Yorkshire	13-Mar-20	0.80%	1,600
06-Dec-19	101	Blackpool Council	02-Mar-20	0.74%	2,500
31-Oct-19	103	Bank of Scotland plc	20-Jan-20	0.72%	1,750
19-Nov-19	105	Cheltenham Council	05-Feb-20	0.72%	2,000
02-Dec-19	111	Coventry	05-Feb-20	0.61%	1,750
02-Dec-19	112	Nationwide	13-Mar-20	0.72%	1,750
16-Dec-19	113	Cornwall Council	06-Jan-20	0.59%	1,500
24-Dec-19	114	DMO	07-Jan-20	0.50%	500
Total Investments as at 31st December 2019					15,850

- 5.5 The total interest received on the Council's external investments during the period was £68,059 compared with £51,260 in the previous year. Including interest paid on balances held at bank the total interest received April to December 2019 was £70,130.

6 PRUDENTIAL INDICATORS

6.1 Local authorities in England and Wales are required by the Local Government Act 2003 to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities.

6.2 In April 2019 this Committee approved a combined Capital and Treasury Management Strategy for 2019/ 2020 which met a new requirement of the Prudential Code to produce a capital strategy along with a range of streamlined prudential indicators.

6.3 These prudential indicators are designed to deliver accountability in taking capital financing, borrowing and treasury management decisions.

6.4 The treasury management indicators which still form part of the prudential code are the following:

- **Authorised limit for external debt**

This sets a limit on the amount of external borrowing that reflects a level of borrowing, which while not desired, could be afforded but may not be sustainable. It is the upper limit on the level of gross external indebtedness, which must not be breached without council approval. It is the **worse-case scenario**.

- **Operational boundary for external debt**

This indicator focuses on the day-to-day treasury management activity within the Council and reflects the most likely prudent but not worse-case scenario. Any sustained breaches to this boundary would give an indication that the Council may be in danger of stepping beyond the prudential boundaries it has set itself.

6.5 The Council's actual long-term debt at 31st December 2019 compared to the approved authorised limit and operational boundary for the 2019/ 20 financial year is as follows:

Prudential Indicator	Authorised Limit £000's	Operational Boundary £000's	31 st December 2019 £000's	Breaches to limits 2019/ 2020
Borrowing	19,935	1,685	131	NONE
Other Long-Term liabilities	0	0	0	NONE

6.6 The Treasury Management code requires that where an authority invests, or plans to invest, for periods of longer than one year that an upper limit for investments maturing in excess of this timeframe is set. This council currently has a policy of not investing for periods of longer than one year and so no upper limits have been set and no investments have been made in the reporting period for longer than 364 days.

7 APPROVED ORGANISATIONS

7.1 Principally, Fitch credit ratings are used as an indication of the probability of organisations defaulting on our investments. Definitions for the ratings are provided at Annex 2.

7.2 The ratings show an indication of the current credit position and are monitored on a regular basis with any significant changes to be reported to this committee. Prior to investing any monies on a day to day basis the ratings given by rating agents S&P Global Ratings and Moody's are also monitored and considered alongside the Fitch ratings. The full list of ratings for our approved institutions at 31 December 2019 is shown at Annex 3.

- 7.3 Investments with Building Societies are limited to the top 8 building societies based on their total assets (provided they are included in Fitch ratings). West Bromwich and Nottingham Building Societies have been removed from the approved list as they do not currently have a Fitch rating, leaving the top 6 building societies based on their total assets.

Name	Fitch Rating		
	Full Transaction Review Date	Long Term	Short Term
Nationwide	26/09/19	A	F1
Yorkshire	04/04/19	A-	F1
Coventry	04/04/19	A-	F1
Skipton	04/04/19	A-	F1
Leeds	04/04/19	A-	F1
Principality	04/04/19	BBB+	F2

- 7.4 The banks we use are reviewed annually as part of the Treasury Management Practices to take into account their Fitch IBCA long-term and short-term credit rating. The Council has a policy to only use institutions with a short-term Fitch rating of F2 or above. The banks on the Council's approved list meeting this requirement at 31 December 2019 are as follows:

Name	Fitch's Full Transaction Review Date	Long Term	Short Term
Santander UK Plc	26/09/19	A +	F1
Barclays Bank Plc	06/06/19	A+	F1
Bank of Scotland Plc	26/09/19	A+	F1
HSBC Bank Plc *	05/12/19	A+	F1+
Lloyds Bank Plc	26/09/19	A+	F1
National Westminster Bank Plc	26/09/19	A+	F1
Royal Bank of Scotland Plc (The)	26/09/19	A	F1

*Changed since last reported

- 7.5 In addition to the building societies and banks we use for investments, also approved for use are other Local Authorities and the United Kingdom Debt Management Office, where the Government guarantees investments.

8 RECENT EVENTS

- 8.1 In December 2019 the Bank of England's Monetary Policy Committee (MPC) voted by majority to maintain the Bank Rate at 0.75%.
- 8.2 The impact of Brexit continues to be an area of high uncertainty, and any firm impact on interest rates in the short to medium term is still unclear. The MPC's most recent projections estimate that the Bank Rate will reduce down to 0.50% in 2020.

9 EXPOSURE TO RISK

9.1 With the risks surrounding the UK's exit from the EU, it is imperative that we continue to protect the Council's principal sums invested in order to minimise its exposure to risks.

9.2 To ensure our exposure is limited as far as possible, we continue with the following measures:

- Daily early morning meetings to discuss the latest position:
 - Lending arrangements
 - A review of the Markets
 - A review of our current investments and whether we consider they are still safe.
 - Institution Ratings
- Authorisation prior to investments with either the Director of Resources or the Head of Financial Services
- Keep Leader/Chief Executive informed of any developments
- Look to arrange new secure options for investments as necessary.

10 CONCLUSION

10.1 Through the careful investment of sums in line with the Council's strategy the level of risk in our investments has been kept to a minimum.

10.2 Due to the continued uncertainty in the global economy, a prudent approach continues to be followed in the investment of any surplus cash balances on a day to day basis.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF7-20/VT/AC
9 January 2020

For further information please ask for Val Taylor

**POLICY AND FINANCE COMMITTEE
TEMPORARY INVESTMENT ACTIVITY – 2019/20**

ANNEX 1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
Investments Brought Forward at 1 April 2019									
18-Feb-19	152/2	Barclays Bank	760,000	0.66%	30-Apr-19	-760,000	-975.72	A+	F1
		Debtor					577.18		
18-Feb-19	156/2	Dumfries Council	2,500,000	0.81%	23-Apr-19	-2,500,000	-3,550.68		
		Debtor					2,330.14		
15-Mar-19	164/3	Lloyds Bank plc	330,000	0.61%	15-Apr-19	Rolled Over to 164/4	-170.97	A+	F1
		Debtor					93.76		
02-Jan-19	181	Nationwide BS	1,540,000	0.72%	02-Apr-19	Rolled Over to 181/2	-2,734.03	A+	F1
		Debtor					2,703.65		
18-Jan-19	195	Leeds City Council	1,500,000	0.70%	18-Apr-19	-1,500,000	-2,589.04		
		Debtor					2,100.00		
01-Feb-19	208	Redcar & Cleveland Council	2,500,000	0.82%	23-Apr-19	-2,500,000	-4,549.32		
		Debtor					3,313.70		
19-Feb-19	218	London Borough of Sutton	1,500,000	0.77%	30-Apr-19	-1,500,000	-2,215.07		
		Debtor					1,297.40		

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
01-Mar-19	228	Bank of Scotland plc	525,000	0.65%	08-Apr-19	-525,000	-355.27	A+	F1
		Debtor					289.83		
29-Mar-19	246	HSBC Bank plc	1,020,000	0.60%	02-Apr-19	-1,020,000	-67.07	AA-	F1+
		Debtor					50.30		
Monies Invested at 1 April 2019			12,175,000			-10,305,000	-4,451.21		
Investments made April to December 2019									
01-Apr-19	1	HSBC Bank plc	170,000	0.60%	02-Apr-19	-170,000	-2.79	AA-	F1+
02-Apr-19	2	HSBC Bank plc	280,000	0.60%	08-Apr-19	-280,000	-27.62	AA-	F1+
02-Apr-19	3	HSBC Bank plc	220,000	0.60%	15-Apr-19	-220,000	-47.01	AA-	F1+
02-Apr-19	4	HSBC Bank plc	820,000	0.60%	18-Apr-19	-820,000	-215.67	AA-	F1+
02-Apr-19	181/2	Nationwide BS	Rolled over from 181	0.75%	04-Jul-19	-1,540,000	-2,942.88	A	F1
03-Apr-19	5	HSBC Bank plc	80,000	0.60%	18-Apr-19	-80,000	-19.73	AA-	F1+
05-Apr-19	6	HSBC Bank plc	85,000	0.60%	15-Apr-19	-85,000	-13.97	AA-	F1+
08-Apr-19	7	HSBC Bank plc	240,000	0.60%	09-Apr-19	-240,000	-3.95	AA-	F1+
09-Apr-19	8	HSBC Bank plc	300,000	0.60%	10-Apr-19	-300,000	-4.93	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
10-Apr-19	9	HSBC Bank plc	370,000	0.60%	11-Apr-19	-370,000	-6.08	AA-	F1+
11-Apr-19	10	HSBC Bank plc	420,000	0.60%	12-Apr-19	-420,000	-6.90	AA-	F1+
12-Apr-19	11	HSBC Bank plc	470,000	0.60%	15-Apr-19	-470,000	-23.18	AA-	F1+
15-Apr-19	12	HSBC Bank plc	450,000	0.60%	16-Apr-19	-450,000	-7.40	AA-	F1+
15-Apr-19	164/4	Lloyds Bank plc	Rolled over from 164/3	0.61%	13-May-19	Rolled Over to 164/5	-154.42	A+	F1
16-Apr-19	13	HSBC Bank plc	500,000	0.60%	17-Apr-19	-500,000	-8.22	AA-	F1+
17-Apr-19	14	HSBC Bank plc	580,000	0.60%	18-Apr-19	-580,000	-9.53	AA-	F1+
18-Apr-19	15	Wirral MBC	2,000,000	0.70%	20-May-19	Rolled Over to 15/2	-1,227.40		
18-Apr-19	16	HSBC Bank plc	1,000,000	0.60%	24-Apr-19	-1,000,000	-98.63	AA-	F1+
23-Apr-19	17	Coventry	650,000	0.60%	10-Jun-19	-650,000	-512.88	A-	F1
23-Apr-19	18	HSBC Bank plc	150,000	0.60%	07-May-19	-150,000	-34.52	AA-	F1+
23-Apr-19	19	HSBC Bank plc	80,000	0.60%	24-Apr-19	-80,000	-1.32	AA-	F1+
24-Apr-19	20	HSBC Bank plc	600,000	0.60%	25-Apr-19	-600,000	-9.86	AA-	F1+
25-Apr-19	21	HSBC Bank plc	670,000	0.60%	26-Apr-19	-670,000	-11.01	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
26-Apr-19	22	HSBC Bank plc	1,070,000	0.60%	29-Apr-19	-1,070,000	-52.77	AA-	F1+
29-Apr-19	23	Bank of Scotland plc	1,750,000	0.61%	30-May-19	-1,750,000	-906.64	A+	F1
29-Apr-19	24	HSBC Bank plc	90,000	0.60%	30-Apr-19	-90,000	-1.48	AA-	F1+
30-Apr-19	25	London Borough of Sutton	2,500,000	0.70%	30-May-19	-2,500,000	-1,438.36		
30-Apr-19	26	HSBC Bank plc	320,000	0.60%	13-May-19	-320,000	-68.38	AA-	F1+
30-Apr-19	27	Leeds	1,750,000	0.72%	08-Aug-19	Rolled Over to 27/2	-3,452.05	A-	F1
30-Apr-19	28	HSBC Bank plc	270,000	0.60%	20-May-19	-270,000	-88.77	AA-	F1+
01-May-19	29	HSBC Bank plc	200,000	0.60%	20-May-19	-200,000	-62.47	AA-	F1+
03-May-19	30	HSBC Bank plc	150,000	0.60%	07-May-19	-150,000	-9.86	AA-	F1+
07-May-19	31	HSBC Bank plc	320,000	0.60%	13-May-19	-320,000	-31.56	AA-	F1+
08-May-19	32	HSBC Bank plc	90,000	0.60%	13-May-19	-90,000	-7.40	AA-	F1+
10-May-19	33	HSBC Bank plc	130,000	0.60%	22-May-19	-130,000	-25.64	AA-	F1+
13-May-19	34	HSBC Bank plc	300,000	0.60%	20-May-19	-300,000	-34.52	AA-	F1+
13-May-19	164/5	Lloyds Bank plc	Rolled over from 164/4	0.61%	14-Jun-19	-330,000	-176.48	A+	F1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
15-May-19	35	HSBC Bank plc	215,000	0.60%	16-May-19	-215,000	-3.53	AA-	F1+
16-May-19	36	HSBC Bank plc	270,000	0.60%	17-May-19	-270,000	-4.44	AA-	F1+
17-May-19	37	HSBC Bank plc	500,000	0.60%	20-May-19	-500,000	-24.66	AA-	F1+
20-May-19	38	HSBC Bank plc	375,000	0.60%	21-May-19	-375,000	-6.16	AA-	F1+
20-May-19	15/2	Wirral MBC	Rolled over from 15	0.75%	04-Jul-19	-2,000,000	-1,849.32	-	-
21-May-19	39	HSBC Bank plc	440,000	0.60%	28-May-19	-440,000	-50.63	AA-	F1+
22-May-19	40	HSBC Bank plc	140,000	0.60%	28-May-19	-140,000	-13.81	AA-	F1+
28-May-19	41	HSBC Bank plc	660,000	0.60%	29-May-19	-660,000	-10.85	AA-	F1+
29-May-19	42	Yorkshire	1,550,000	0.66%	19-Jun-19	-1,550,000	-588.58	A-	F1
30-May-19	43	HSBC Bank plc	300,000	0.60%	31-May-19	-300,000	-4.93	AA-	F1+
31-May-19	44	HSBC Bank plc	70,000	0.60%	03-Jun-19	-70,000	-3.45	AA-	F1+
31-May-19	45	HSBC Bank plc	50,000	0.60%	14-Jun-19	-50,000	-11.51	AA-	F1+
31-May-19	46	Bank of Scotland plc	1,480,000	0.70%	22-Jul-19	Rolled Over to 46/2	-1,475.95	A+	F1
31-May-19	47	DMO	2,500,000	0.50%	14-Jun-19	-2,500,000	-479.45		

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
14-Jun-19	48	Lancashire County Council	2,500,000	0.95%	Still Invested	Still Invested	-13,013.70		
03-Jun-19	49	HSBC Bank plc	95,000	0.60%	04-Jun-19	-95,000	-1.56	AA-	F1+
04-Jun-19	50	HSBC Bank plc	120,000	0.60%	21-Jun-19	-120,000	-33.53	AA-	F1+
05-Jun-19	51	HSBC Bank plc	75,000	0.60%	06-Jun-19	-75,000	-1.23	AA-	F1+
06-Jun-19	52	HSBC Bank plc	115,000	0.60%	07-Jun-19	-115,000	-1.89	AA-	F1+
07-Jun-19	53	HSBC Bank plc	200,000	0.60%	10-Jun-19	-200,000	-9.86	AA-	F1+
10-Jun-19	54	HSBC Bank plc	340,000	0.60%	14-Jun-19	-340,000	-22.36	AA-	F1+
12-Jun-19	55	HSBC Bank plc	80,000	0.60%	14-Jun-19	-80,000	-2.63	AA-	F1+
14-Jun-19	56	HSBC Bank plc	740,000	0.60%	17-Jun-19	-740,000	-36.49	AA-	F1+
17-Jun-19	57	Lloyds Bank plc	850,000	0.90%	19-Sep-19	-850,000	-1,970.14	A+	F1
17-Jun-19	58	HSBC Bank plc	365,000	0.60%	24-Jun-19	-365,000	-42.00	AA-	F1+
19-Jun-19	59	HSBC Bank plc	710,000	0.60%	04-Jul-19	-710,000	-175.07	AA-	F1+
21-Jun-19	60	HSBC Bank plc	165,000	0.60%	24-Jun-19	-165,000	-8.14	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
24-Jun-19	61	HSBC Bank plc	250,000	0.60%	28-Jun-19	-250,000	-16.44	AA-	F1+
26-Jun-19	62	HSBC Bank plc	95,000	0.60%	15-Jul-19	-95,000	-29.67	AA-	F1+
28-Jun-19	63	Yorkshire	1,160,000	0.70%	19-Aug-19	Rolled Over to 63/2	-1,156.82	A-	F1
04-Jul-19	64	Wirral MBC	2,500,000	0.70%	08-Aug-19	-2,500,000	-1,678.08	-	-
01-Jul-19	65	HSBC Bank plc	30,000	0.60%	19-Jul-19	-30,000	-8.88	AA-	F1+
01-Jul-19	66	DMO	3,380,000	0.50%	04-Jul-19	-3,380,000	-138.90	-	-
04-Jul-19	67	HSBC Bank plc	740,000	0.60%	08-Jul-19	-740,000	-48.66	AA-	F1+
04-Jul-19	68	Lloyds Bank plc	760,000	0.61%	05-Aug-19	-760,000	-406.44	A+	F1
09-Jul-19	69	HSBC Bank plc	300,000	0.60%	15-Jul-19	-300,000	-29.59	AA-	F1+
12-Jul-19	70	HSBC Bank plc	300,000	0.60%	15-Jul-19	-300,000	-14.79	AA-	F1+
15-Jul-19	71	HSBC Bank plc	900,000	0.60%	22-Jul-19	-900,000	-103.56	AA-	F1+
16-Jul-19	72	HSBC Bank plc	110,000	0.60%	22-Jul-19	-110,000	-10.85	AA-	F1+
18-Jul-19	73	HSBC Bank plc	295,000	0.60%	22-Jul-19	-295,000	-19.40	AA-	F1+
22-Jul-19	74	HSBC Bank plc	270,000	0.60%	31-Jul-19	-270,000	-39.95	AA-	F1+
22-Jul-19	46/2	Bank of Scotland plc	Rolled over from 46	0.68%	13-Sep-19	-1,480,000	-1,461.35	A+	F1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
24-Jul-19	75	HSBC Bank plc	520,000	0.60%	31-Jul-19	-520,000	-59.84	AA-	F1+
26-Jul-19	76	HSBC Bank plc	195,000	0.60%	31-Jul-19	-195,000	-16.03	AA-	F1+
29-Jul-19	77	Coventry	795,000	0.58%	13-Sep-19	-795,000	-581.11	A-	F1
31-Jul-19	78	DMO	3,910,000	0.50%	08-Aug-19	-3,910,000	-428.49	-	-
31-Jul-19	79	HSBC Bank plc	160,000	0.60%	05-Aug-19	-160,000	-13.15	AA-	F1+
31-Jul-19	80	HSBC Bank plc	550,000	0.60%	12-Aug-19	-550,000	-108.49	AA-	F1+
01-Aug-19	81	HSBC Bank plc	200,000	0.60%	08-Aug-19	-200,000	-23.01		
05-Aug-19	82	HSBC Bank plc	270,000	0.60%	12-Aug-19	-270,000	-31.07		
05-Aug-19	83	HSBC Bank plc	270,000	0.60%	08-Aug-19	-270,000	-13.32		
07-Aug-19	84	HSBC Bank plc	100,000	0.60%	08-Aug-19	-100,000	-1.64		
08-Aug-19	85	Nationwide	1,750,000	0.70%	22-Nov-19	-1,750,000	-3,557.53	A	F1
08-Aug-19	27/2	Leeds	Rolled over from 27	0.69%	22-Nov-19	-1,750,000	-3,506.71	A-	F1
16-Aug-19	86	Yorkshire	590,000	0.67%	13-Sep-19	-590,000	-303.24	A-	F1
19-Aug-19	63/2	Yorkshire	Rolled over from 63	0.67%	13-Sep-19	-1,160,000	-532.33	A-	F1
28-Aug-19	87	Lloyds Bank plc	440,000	0.60%	13-Sep-19	-440,000	-115.73	A+	F1
29-Aug-19	88	Coventry	955,000	0.50%	16-Sep-19	-955,000	-235.48	A+	F1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
02-Sep-19	89	Barclays Bank	1,750,000	0.52%	18-Oct-19	-1,750,000	-1,146.85	A	F1
02-Sep-19	90	DMO	1,000,000	0.50%	16-Sep-19	-1,000,000	-191.78		
06-Sep-19	91	Lloyds Bank plc	460,000	0.60%	19-Sep-19	-460,000	-98.30	A+	F1
16-Sep-19	92	Bank of Scotland plc	1,750,000	0.61%	18-Oct-19	-1,750,000	-935.89	A+	F1
19-Sep-19	93	DMO	2,500,000	0.50%	20-Sep-19	-2,500,000	-34.25		
20-Sep-19	94	Yorkshire	1,600,000	0.80%	Still Invested	Still Invested	-3,576.99	A-	F1
30-Sep-19	95	Lloyds Bank plc	650,000	0.60%	18-Oct-19	-650,000	-192.33	A+	F1
30-Sep-19	96	Lloyds Bank plc	1,100,000	0.60%	21-Oct-19	Rolled Over to 96/2	Rolled Over	A+	F1
30-Sep-19	97	Coventry	1,550,000	0.53%	31-Oct-19	Rolled over to 102	-697.71	A-	F1
15-Oct-19	98	DMO	1,000,000	0.50%	21-Oct-19	-1,000,000	-82.19		
21-Oct-19	99	DMO	2,100,000	0.50%	22-Oct-19	-2,100,000	-28.77		
21-Oct-19	96/2	Lloyds Bank plc	Rolled over from 96	0.60%	28-Oct-19	Rolled Over to 96/3	-506.35	A+	F1
24-Oct-19	100	Lloyds Bank plc	650,000	0.60%	28-Oct-19	Rolled Over to 100/2	-42.74	A+	F1
28-Oct-19	101	DMO	1,000,000	0.50%	31-Oct-19	-1,000,000	-41.10		
28-Oct-19	100/2	Lloyds Bank plc	Rolled over from 100	0.61%	25-Nov-19	Rolled Over to 100/3	-304.16	A+	F1
06-Dec-19	101	Blackpool Council	2,500,000	0.74%	Still Invested	Still Invested	-1,027.40		
28-Oct-19	96/3	Lloyds Bank plc	Rolled over from 96/2	0.60%	19-Nov-19	Rolled Over to 96/4	-397.81	A+	F1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
31-Oct-19	102	Coventry	200,000	0.51%	22-Nov-19	-1,750,000	-537.95	A-	F1
31-Oct-19	103	Bank of Scotland plc	1,750,000	0.72%	Still Invested	Still Invested	-1754.79	A-	F1
31-Oct-19	104	DMO	2,500,000	0.51%	19-Nov-19	-2,500,000	-657.19		
19-Nov-19	105	Cheltenham Council	2,000,000	0.72%	Still Invested	Still Invested	-1219.73		
07-Nov-19	106	DMO	1,000,000	0.50%	19-Nov-19	-1,000,000	-164.38		
19-Nov-19	107	DMO	1,550,000	0.50%	22-Nov-19	-1,550,000	-63.70		
19-Nov-19	96/4	Lloyds Bank plc	Rolled over from 96/3	0.61%	19-Dec-19	-1,100,000	-551.51	A+	F1
22-Nov-19	108	Merthyr Tydfil Council	2,000,000	0.70%	02-Dec-19	-2,000,000	-383.56		
25-Nov-19	100/3	Lloyds Bank plc	Rolled over from 100/2	0.61%	23-Dec-19	-650,000	-304.16	A+	F1
28-Nov-19	109	DMO	500,000	0.50%	13-Dec-19	-500,000	-102.74		
02-Dec-19	110	DMO	2,600,000	0.50%	06-Dec-19	-2,600,000	-142.47		
02-Dec-19	111	Coventry	1,750,000	0.61%	Still Invested	Still Invested	-723.01	A-	F1
02-Dec-19	112	Nationwide	1,750,000	0.72%	Still Invested	Still Invested	-973.29	A-	F1
16-Dec-19	113	Cornwall Council	1,500,000	0.59%	Still Invested	Still Invested	-376.03		
24-Dec-19	114	DMO	500,000	0.50%	Still Invested	Still Invested	-66.16		
Investments April - December 2019			94,985,000			-81,005,000	-63,607.99		
Total Investments 2019/20 (including Brought Forward from 2018/19)			107,160,000			-91,310,000	-68,059.20		
Interest received on balances held at bank							-2,070.38		
Grand Total			107,160,000			-91,310,000	-70,129.58		

POLICY AND FINANCE COMMITTEE

Fitch Rating Definitions	
International Long-Term Credit Ratings	
Long-term credit rating can be used as a benchmark measure of probability of default.	
AAA	Highest credit quality. 'AAA' denotes the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality. 'AA' ratings denote expectation of low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than in the case for higher ratings.
BBB	Moderate default risk. 'BBB' National Ratings denote a moderate default risk relative to other issuers or obligations in the same country. However, changes in circumstances or economic conditions are more likely to affect the capacity for timely repayment than is the case for financial commitments denoted by a higher rated category
International Short-Term Credit Ratings	
Short-term rating has a time horizon of less than 13 months for most obligations and thus places greater emphasis on the liquidity necessary to meet financial commitments	
F1	Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.
F2	Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
F3	Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near term adverse changes could result in a reduction to non-investment grade.
B	Indicates an uncertain capacity for timely payment of financial commitments relative to other issuers or obligations in the same country. Such capacity is highly susceptible to near-term adverse changes in financial and economic conditions.

**POLICY AND FINANCE COMMITTEE
FULL RATING LIST OF APPROVED INSTITUTIONS AS AT 31 DECEMBER 2019**

	S&P Global Ratings			Moody's			Fitch				
	Long Term	Short Term	Outlook	Long Term	Short Term	Outlook	Full Review Date	Long Term	Short Term	Outlook	
Building Societies											
Nationwide	A	A-1	Positive	Aa3	P-1	Negative	26/09/19	A	F1	Stable	£1m min
Yorkshire	-	-	-	A3	P-2	Negative	04/04/19	A-	F1	Stable	
Coventry	-	-	-	A2	P-1	Negative	04/04/19	A-	F1	Stable	Sterling Brokers
Skipton	-	-	-	Baa1	P-2	Stable	04/04/19	A-	F1	Stable	
Leeds	-	-	-	A3	P-2	Negative	04/04/19	A-	F1	Stable	3 Mth
Principality	-	-	-	Baa2	P-2	Stable	04/04/19	BBB+	F2	Negative	No Contact
Banks											
Santander UK Plc.	A	A-1	Stable	Aa3	P-1	Negative	26/09/19	A+	F1	Stable	
Barclays Bank Plc.	A	A-1	Stable	A2	P-1	Positive	06/06/19	A+	F1	Stable	
Bank of Scotland Plc.	A+	A-1	Stable	Aa3	P-1	Negative	26/09/19	A+	F1	Stable	
HSBC Bank Plc.	AA-	A-1+	Negative	Aa3	P-1	Negative	05/12/19	A+	F1+	Stable	
Lloyds Bank Plc.	A+	A-1	Stable	Aa3	P-1	Negative	26/09/19	A+	F1	Stable	£250k
National Westminster Bank Plc.	A	A-1	Stable	A1	P-1	Positive	26/09/19	A+	F1	Stable	Current a/c required
Royal Bank of Scotland Plc.	A	A-1	Stable	A1	P-1	Positive	26/09/19	A	F1	Stable	Current a/c required
Banks not currently meeting minimum Fitch Short Term requirement of F2 (and not currently approved for investments)											
Co-operative Bank (The)	-	-	-	B3	B3	Positive	30/07/19	B	B	Negative	£1m min