

Report to Executive

Agenda
Item:

A.1(c)

Meeting Date: 1 June 2015
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD04/15
Within Policy and Budget Framework YES
Public / Private Public

Title: TREASURY MANAGEMENT OUTTURN 2014/15
Report of: DIRECTOR OF RESOURCES
Report Number: RD09/15

Purpose / Summary:

This report provides the annual report on Treasury Management (Appendix A), as required under both the Financial Procedure rules and the CIPFA Code of Practice on Treasury Management. Also included is the regular report on Treasury Transactions (Appendix B).

Recommendations:

- 1 That this report be received and recommended to Council for approval.

Tracking

Executive:	01 June 2015
Overview and Scrutiny:	18 June 2015
Council:	14 July 2015

1. BACKGROUND

- 1.1 The purpose of this report is to inform Members on various Treasury Management issues.
- 1.2 Appendix A1 to this report sets out a final report on Treasury Management in 2014/15 as required by the CIPFA Code of Practice on Treasury Management. Appendix A2 highlights some performance measures and Appendix A3 shows the final prudential indicators for 2014/15.
- 1.3 Appendices B1-B3 details the schedule of Treasury Transactions for the period 1 January 2015 – 31 March 2015.

2. CONSULTATION

- 2.1 Resources Overview and Scrutiny Panel will consider the report on 18 June 2015 and the Audit Committee will do so on 9 July 2015.

3. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 3.1 That this report be received and recommended to Council for approval.

4. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 4.1 To ensure that the Council's investments are in line with appropriate policies including the Treasury Management Strategy Statement.

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Appendices attached to report:

- Appendix A1 – Treasury Management 2014/15**
- Appendix A2 – Performance Statistics**
- Appendix A3 – Prudential Code and Prudential Borrowing**
- Appendix B1 – Treasury Transactions**
- Appendix B2 – Investment Transactions**
- Appendix B3 – Outstanding Investments**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's –n/a

Economic Development – n/a

Governance – Treasury Management activities are delegated to the Director of Resources and Financial Procedure Rule 3.19 requires that he prepare an annual report on the topic. This Report fulfils that obligation.

Local Environment – n/a

Resources –Included in the report

TREASURY MANAGEMENT 2014/15

1. INTRODUCTION

- 1.1 The CIPFA Code of Practice on Treasury Management (2011) now requires that full Council should receive both a mid term and an annual report on treasury management activities during the year. This report on the treasury function during 2014/15, while being first presented to the Executive, is therefore required to have the approval of full Council in order to comply with the CIPFA Code.
- 1.2 Regular reports on treasury transactions are presented to the Executive while an interim report on treasury management in 2014/15 was presented in November 2014 (RD36/14). The purpose of this report is to complete the process of accounting for the treasury function in the last financial year in compliance with the Code. Any funding and other financing transactions will be detailed and placed in the context of money market conditions in 2014/15 while the City Council's investment activities will also be discussed. Separate papers (A2 and A3) provide information on performance in 2014/15 and on the Prudential Code on local authority borrowing.

2. MONEY MARKET CONDITIONS

- 2.1 The following table sets out the levels of bank base rate in 2014/15

	%	
1 April 2014	0.50	Average = 0.50%
31 March 2015	0.50	(2013/14= 0.50%)

- 2.2 The financial year began with bank rate remaining at 0.50% and this rate, remained constant for the whole of 2014/15.
- 2.3 The pattern of long term borrowing rates in 2014/15 can be gauged by the following table of Public Works Loans Board (PWLb) fixed rate maturity loans during the year. These are the rates cited in the regular Treasury Transactions reports and relate to the type of loan that historically has most usually been taken up by the City Council.

	1 Yr %	10 Yr %	25 Yr %
1 April 2014	1.44	3.88	4.49
31 March 2015	1.31	2.69	3.32
Highest Rate in 2014/15	1.69	3.91	4.5
Lowest Rate in 2014/15	1.28	2.42	3.06
Span of Rates	0.41	1.49	1.44

3. LONG TERM FUNDING

- 3.1 The Prudential Code on local authority borrowing came into operation on 1 April 2004. The principal effect of the Code was to abolish most central government control of local authority borrowing, a principle that has been a cornerstone of local government finance for over a century. Instead, authorities must follow the guidance laid down in the Code and they will be expected to comply with its requirements. These cover not just borrowing but any decision that determines whether the capital investment plans of an authority are affordable, prudent and sustainable. The Code is discussed in more detail in Appendix A3.
- 3.2 The revenue support grant system still provides for an element of support towards each authority's estimated borrowing needs. It may be noted that the Council does still receive an element of revenue grant support for the costs of its borrowing in previous years.
- 3.3 The City Council did not, therefore, draw down any external long term loans in 2014/15. The capital programme was funded internally by drawing from the authority's own resources, principally its stock of capital receipts, and from external grants and contributions.

4. DEBT RESCHEDULING

- 4.1 The City Council's long-term loans portfolio now consists entirely of the £15m stock issue, placed in 1995 and not due to mature until 2020. While there is a possibility that these funds could be repaid prior to that date, this is unlikely to be in the near future although the issue is regularly reviewed in conjunction with our treasury advisers. In the current financial climate, the cost of the premium that would be required to effect the early repayment remains prohibitive.

5. LOANS OUTSTANDING

5.1 Set out below is a schedule of outstanding external loans as at 31 March 2015.

	£
Public Works Loans Board	NIL
Secured Loan Stock	15,000,000
Short Term Loans	<u>13,300</u>
Total Loans Outstanding	<u>£15,013,300</u>

6. INVESTMENT TRANSACTIONS

- 6.1 As is apparent from the regular 'Treasury Transactions' reports, the City Council continues to be a frequent investor in the short-term money market and the interest earned from these transactions makes a valuable contribution to the overall level of the Council's revenue budget. Investments are placed only with the institutions that fall within the guidelines of the Council's approved Investment Strategy and a full schedule of investments at 31 March 2015 is set out in Appendix B3. It should be noted that the Council's level of short term investment reaches its lowest point each year on 31 March when any benefits accruing from positive annual cash flow are, by definition, extinguished.
- 6.2 The total at that date (£19.1) can be compared with an average figure in 2014/15 of over £25.6m and a peak amount of over £32.4m. The closing balance in 2013/14 was £19.1m.
- 6.3 The Investment Strategy for 2014/15 embraced a mixture of longer term investments and monies lent out for shorter periods to meet anticipated cash flow needs e.g. grant and precept payment dates. Investment limits with both Lloyds Group and RBS Group banks were kept at £8million as these institutions are currently Government backed and therefore seen as a safer investment opportunity. During 2014/15 the decision was made to add the CCLA property Fund to the investment portfolio to lock funds away for a longer period with the aim of attracting a higher return.
- 6.4 Investment income in 2014.15 at £280,000 was above the original estimate of £226,000. Actual investment rates obtained in 2014/15 were generally below expectations when the budget was framed although this factor was mitigated to by the outturn on cash flow being slightly better than expected and also the decision to invest in the CCLA property fund. Without this investment, it is likely income would have fallen some £50,000 short of the budgeted target. The average yield on the Council's investments held excluding the property fund in 2014/15 was 0.826%. This is still a favourable return considering the position of bank base rates and compares well against other local authorities. This performance was assisted by a significant proportion of investments being placed for longer terms of up to a year and the use of deposit accounts for shorter dated cash requirements. At 31 March the investment in the CCLA Property Fund was yielding a return of 4.85%. Dividends received since July 2014 to 31 March 2015 totalled £101,864. The investment also grew in capital value since the investment was placed from

£2,836,000 (After entry costs of £163,106) to £3,095,332 (an increase of £258,439). This increase in value offsets the initial entry costs, but is still subject to fluctuations in the overall performance of the fund. However, the fund is continuing to grow with more local authorities taking the decision to invest. At the time the Council invested, the fund was worth £179.7m. At 31 March the fund had grown to £325.8million and had 104 investors.

- 6.5 The overall performance of investments with banks and building societies has continued to be affected by the banks having easier access to capital. This has meant that the banks are no longer offering extremely attractive investment returns to secure capital investment. This has meant that investment returns have fallen, with typical 1-year returns available to the Council now standing at less than 1%.

7 INVESTMENT STRATEGY 2015/16

- 7.1 The Investment Strategy must be agreed before the start of each financial year and the 2015/16 Strategy was approved by Council on 3 February 2015. While the principles of the Strategy remain fundamentally sound, any amendments to the current schedule of investments, if agreed by the Executive, must be approved by Council.

8. PERFORMANCE MANAGEMENT

- 8.1 The CIPFA Code places an increased emphasis on performance monitoring in an attempt to measure the efficiency of the treasury function. With treasury management, the difficulty in assessing performance arises from the very different circumstances of each authority and the fact that, for example, a long term borrowing decision can affect an authority's measured performance for many years to come. In the case of the City Council, this is particularly the case with the £15m stock issue which will affect our average borrowing rate until 2020. Equally, borrowing decisions invariably impact on investment decisions since, in cash flow terms, one can be the mirror image of the other.
- 8.2 Appendix A2 sets out some performance indicators in respect of both loans and investments outturn for 2014/15 and 2013/14.

9. TREASURY CONSULTANCY SERVICE (TCS)

- 9.1 The City Council continues to employ Capita Asset Services as its treasury management consultants. Capita provide daily bulletins on both borrowing and investment issues and these help advise both the investment and funding decisions that are taken by the Council.

10 CONCLUSIONS

- 10.1 The City Council has only one substantial long term loan i.e. the £15m stock issue, which is likely to remain on the books for some time yet as the cost of making a premature repayment would be very prohibitive in the present climate, particularly with interest rates being at such depressed levels. In addition, there are no plans to undertake any prudential or other borrowing in this financial year however the Medium Term Financial

Plan does anticipate external borrowing to fund leisure facilities in 2018/19 however this will be further assessed during future planning of the MTFP. The focus of the authority's treasury management activities therefore remains very much on the investment aspect of the function.

- 10.2 Investment conditions were very similar to as they were in 2013/14. Although the effect on the City Council's investment interest was slightly down on the previous year, the performance achieved was significantly better than bank base rate levels. For this authority, as indeed for most others, the reduction in investment income poses a very significant financial challenge. This has been alleviated somewhat by the decision to invest in the CCLA property fund which has performed well since initial investment.
- 10.3 The outlook for interest rates in the UK remains uncertain but there is a general expectation that bank base rates will not start to rise again until well into 2016.

CITY OF CARLISLEPERFORMANCE MEASUREMENT STATISTICS1. LOANS MANAGEMENT

	2014/15 %	2013/14 %
Average External Debt Rate - Carlisle	8.78	8.78

Comment

Average loan debt statistics tend to reflect borrowing decisions taken over a period of many years. The City Council's only substantial remaining external debt is the £15m stock issue which carries a high coupon (8.75%).

2. INVESTMENT MANAGEMENT (Excl Property Fund)

	2014/15 %	2013/14 %
Average Return in Year - Carlisle	0.86	0.86
Average Bank Base Rate in Year	0.50	0.50
Average 7 Day LIBID Rate	0.53	0.46

Comment

The City Council's return in 2014/15 on its investments was the same as that obtained in 2013/14 and was lower than anticipated when the budget was originally set. This is due to rates not increasing as originally anticipated throughout the year and some capital receipts not being received that were originally anticipated.

THE PRUDENTIAL CODE AND PRUDENTIAL BORROWING

1. Introduction

- 1.1 The Local Government Act 2003 brought about a new borrowing system for local authorities known as the Prudential Code (the Code). This gives to Councils much greater freedom and flexibility to borrow without government consent so long as they can afford to repay the amount borrowed.
- 1.2 The aim of the Code is to support local authorities when making capital investment decisions. These decisions should also be in line with the objectives and priorities as set out in the Council's Corporate Plan.
- 1.3 The key objectives of the Code are to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable, or if appropriate to demonstrate that they may not be. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. These objectives are consistent with and support local strategic planning, local asset management planning and proper option appraisal. They also encourage sound treasury management decisions.

2. Prudential Indicators

- 2.1 To demonstrate that the Council has fulfilled these objectives, the Code sets out indicators that must be used. It is for the Council itself to set any indicative limits or ratios. It is also important to note that these indicators are not designed to be comparative performance figures indicators but to support and record the Council's decision making process.
- 2.2 The final performance indicators for the current year, as compared to those reported in during the budget cycle are set out below. The compilation and monitoring of these indicators is central to the operation of the Code.

	2014/15 Provisional Outturn £	2013/14 Outturn £
(i) Capital Expenditure	5,497,555	4,736,396
(ii) Financing Costs		
Interest Payable - Re Borrowing	1,318,016	1,318,000
Minimum Revenue Provision	303,320	240,000
Investment Income	(280,853)	(230,000)
Total Financing Costs	1,340,483	1,229,400
(iii) Net Revenue Stream		
Funding from Govt Grants/Local Taxpayers	13,090,000	13,453,000
(iv) Ratio of Financing Costs to Net Revenue Stream	10.24%	9.08%
The figures monitor financing costs as a proportion of the total revenue stream from government grants and local taxpayers. The increase in the ratio of financing costs is mainly attributable to the forecast reduction in investment income.		
(v) Incremental Impact on Council Tax	9.78	7.79
This indicator allows the effect of the totality of the Council's capital investment decisions to be considered at budget setting time.		
(vi) Authorised Borrowing Limit	37,600,000	37,600,000
Maximum Level of Borrowing and Other Long term Liabilities	15,013,300	15,013,300
The authorised borrowing limit is determined by Council prior to the start of the financial year. The limit must not be altered without agreement by Council and should not be exceeded under any foreseeable circumstances.		

	2014/15 Provisional Outturn £	2013/14 Outturn £
(vii) Operational Borrowing Limit Maximum Level of Borrowing and Other Long term Liabilities The operational borrowing limit is also determined by Council prior to the start of the financial year. Unlike the authorised limit, it may be breached temporarily due to cashflow variations but it should not be exceeded on a regular basis.	32,600,000 15,013,300	32,600,000 15,013,300
(viii) Capital Financing Requirement (CFR) As at 31 March The CFR is a measure of the underlying borrowing requirement of the authority for capital purposes.	10,401,000	7,583,000

(a) Prudence and Sustainability

	2014/15 £
(i) Target New Borrowing to Date No Long Term Borrowing has been taken in 2014/15	0 0
(ii) Target Percentage of Fixed Rate Long Term Borrowing Actual as at 31 March 2015	100% 100%
(iii) Target Percentage of Variable Rate Long Term Borrowing Actual as at 31 March 2015 Prudent limits for both fixed and variable rate exposure have been set at 100%. This is due to the limited flexibility available to the authority in the context of its overall outstanding borrowing requirement.	100% 0%
(iv) Target Minimum Level of Investments Classified as Specified Actual Level of Specified Investments as at 31 March 2015 As part of the Investment Strategy for 2014/15, the Council set a minimum level of 50% for its specified as opposed to non specified investments. The two categories of investment were defined as part of the Strategy but for the City Council non specified investments will presently refer mainly to either investments of over one year in duration or investments placed with building societies that do not possess an appropriate credit rating. These tend to be the smaller building societies.	50.00% 100.00%

TREASURY TRANSACTIONS
1 JANUARY 2015 TO 31 MARCH 2015

1. LOANS (DEBT)

1.1 Transactions 1 January 2015 to 31 March 2015

	Raised		Repaid	
	£	%	£	%
P.W.L.B	0	0	0	0
Local Bonds	0	0	0	0
Short Term Loans	0	0	0	0
Overnight Borrowing	0	0	0	0
	0		0	

This provides a summary of loans that have been raised or repaid, analysed by type, since the previous report.

1.2 Loans (Debt) Outstanding at 31 March 2015

	£
City of Carlisle Stock Issue	15,000,000
Short Term Loans	13,300
	15,013,300

1.3 Loans Due for Repayment

	PWLB £	Overnight £	Total £
Short Term Debt at 31 March 2015	0	0	0
			0

Shown here is a calendar of future loan repayments which can be a useful aid to cash flow management. Following the repayment of the City Council's remaining PWLB debt in July 2004, no major debt repayments are anticipated.

1.4 Interest Rates

Date	PWLB Maturity		
	1 Year %	10 Years %	25 Years %
02 January 2015	1.34	2.87	3.53
09 January 2015	1.34	2.72	3.37
16 January 2015	1.32	2.55	3.21
23 January 2015	1.28	2.54	3.15
30 January 2015	1.30	2.48	3.10
06 February 2015	1.35	2.61	3.22
13 February 2015	1.32	2.76	3.43
20 February 2015	1.37	2.90	3.54
27 February 2015	1.37	2.87	3.48
06 March 2015	1.38	2.97	3.62
13 March 2015	1.38	2.88	3.54
20 March 2015	1.34	2.66	3.33
27 March 2015	1.32	2.71	3.34
31 March 2015	1.32	2.70	3.33

2. INVESTMENTS

	Made		Repaid	
	£	%	£	%
Short Term Investments	26,285,000	0.42 - 0.95	27,080,000	0.42 - 1.10
	26,285,000		27,080,000	

A full schedule of investment transactions is set out in appendix B2. Appendix B3 shows outstanding investments at 31 March 2015.

3. REVENUES COLLECTED

	Collected £	% of Amount Collectable %
Council Tax	48,667,449	97.67
NNDR	41,773,465	98.57
2014/15	90,440,914	98.08
Council Tax	47,746,168	97.72
NNDR	41,464,235	98.57
2013/14	89,210,403	98.11
Council Tax	46,497,239	97.78
NNDR	39,697,034	98.58
2012/13	86,194,273	97.68

Final collection levels were very similar to those of the previous two years.

4. BANK BALANCE

5. At 31 March 2015 £67,384.53 in hand

This simply records the Council's bank balance at the end of the last day covered by the report.

6. OUTTURN ON TREASURY MANAGEMENT IN 2014/15

	Revised Estimate £000	Actual £000	Variance £000
Interest Receivable	(226)	(281)	(55)
Interest Payable	1,319	1,318	(1)
Entry Cost to Property Fund	0	163	163
Less Rechargeable	(18)	(16)	2
	1,301	1,465	164
Principal Repaid	423	303	(120)
Debt Management	16	12	(4)
NET BALANCE	1,514	1,499	(15)

APPENDIX B2
INVESTMENT TRANSACTIONS 1 JANUARY 2015 TO 31 MARCH 2015

INVESTMENTS MADE		INVESTMENTS REPAYD	
	£		£
HSBC	4,270,000.00	Bank of Scotland	1,000,000.00
Ignis	2,300,000.00	Barclays	1,000,000.00
Bank of Scotland	1,000,000.00	Ignis	400,000.00
Barclays	1,000,000.00	Ignis	1,170,000.00
Ignis	730,000.00	Ignis	2,225,000.00
Ignis	2,150,000.00	Ignis	210,000.00
HSBC	800,000.00	HSBC	2,615,000.00
HSBC	1,000,000.00	Ignis	1,175,000.00
Bank of Scotland	1,000,000.00	HSBC	120,000.00
HSBC	1,925,000.00	HSBC	1,075,000.00
Barclays	1,000,000.00	HSBC	230,000.00
HSBC	755,000.00	Bank of Scotland	1,000,000.00
Barclays	1,000,000.00	HSBC	1,555,000.00
HSBC	565,000.00	HSBC	3,845,000.00
HSBC	500,000.00	Barclays	1,000,000.00
HSBC	2,595,000.00	Barclays	1,000,000.00
Bank of Scotland	2,000,000.00	HSBC	135,000.00
Bank of Scotland	1,000,000.00	HSBC	465,000.00
HSBC	695,000.00	HSBC	675,000.00
		HSBC	3,110,000.00
		Bank of Scotland	2,000,000.00
		HSBC	75,000.00
		Bank of Scotland	1,000,000.00
TOTAL	26,285,000		27,080,000
		Bfwd	20,580,000
		Paid	26,285,000
		Repaid	27,080,000
		CCLA Value Adjustment	95,332
		CCLA Admin Fee	150,000
		Total	20,030,332

OUTSTANDING INVESTMENTS AS AT 31ST MARCH 2015

DATE	BORROWER	AMOUNT	TERMS	RATE %	INTEREST
10/04/2014	Bank of Scotland (inc HBOS)	£1,000,000	09 April 2015	0.9500	£9,473.97
30/05/2014	Bank of Scotland (inc HBOS)	£1,000,000	28 May 2015	0.9500	£9,447.95
30/07/2014	CCLA	£3,095,332	Long Term	4.8500	
01/08/2014	Bank of Scotland (inc HBOS)	£1,000,000	31 July 2015	0.9500	£9,473.97
26/09/2014	Barclays Bank	£1,000,000	26 June 2015	0.8200	£6,133.15
17/11/2014	Nationwide	£1,000,000	18 May 2015	0.6600	£3,290.96
28/11/2014	Nationwide	£1,000,000	24 July 2015	0.7600	£4,955.62
02/12/2014	Nationwide	£1,000,000	26 June 2015	0.7000	£3,950.68
22/12/2014	Nationwide	£1,000,000	22 May 2015	0.6000	£2,482.19
05/01/2015	Bank of Scotland (inc HBOS)	£1,000,000	04 January 2016	1.0000	£9,972.60
05/01/2015	Barclays Bank	£1,000,000	05 October 2015	0.7900	£5,908.77
13/02/2015	Bank of Scotland (inc HBOS)	£1,000,000	12 February 2016	1.0000	£9,972.60
27/02/2015	Barclays Bank	£1,000,000	27 November 2015	0.7750	£5,796.58
02/03/2015	Barclays Bank	£1,000,000	25 September 2015	0.6670	£3,782.71
27/03/2015	Bank of Scotland (inc HBOS)	£2,000,000	24 March 2016	1.0000	£19,890.41
30/03/2015	Bank of Scotland (inc HBOS)	£1,000,000	26 February 2016	0.9000	£8,210.96
31/03/2015	HSBC Bank	£935,000	01 April 2015	0.5000	£12.81
	Total	£20,030,332	Weighted Average	0.8608	112,755.93

Outstanding Investments as at 31 March 2015

Category	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Current Days to Maturity	Days to maturity at execution	Total Interest Expected (£)
	Bank of Scotland	1,000,000	0.95%	10/04/2014	09/04/2015	9	364	9,474
	Bank of Scotland	1,000,000	0.95%	30/05/2014	28/05/2015	58	363	9,448
	Bank of Scotland	1,000,000	0.95%	01/08/2014	31/07/2015	122	364	9,474
	Barclays Bank	1,000,000	0.82%	26/09/2014	26/06/2015	87	273	6,133
	Nationwide building Society	1,000,000	0.66%	17/11/2014	18/05/2015	48	182	3,291
	Nationwide building Society	1,000,000	0.76%	28/11/2014	24/07/2015	115	238	4,956
	Nationwide building Society	1,000,000	0.70%	02/12/2014	26/06/2015	87	206	3,951
	Nationwide building Society	1,000,000	0.60%	22/12/2014	22/05/2015	52	151	2,482
	Bank of Scotland	1,000,000	1.00%	05/01/2015	04/01/2016	279	364	9,973
	Barclays Bank	1,000,000	0.79%	05/01/2015	05/10/2015	188	273	5,909
	Bank of Scotland	1,000,000	1.00%	13/02/2015	12/02/2016	318	364	9,973
	Barclays Bank	1,000,000	0.78%	27/02/2015	27/11/2015	241	273	5,834
	Barclays Bank	1,000,000	0.67%	02/03/2015	25/06/2015	86	115	2,111
	Bank of Scotland	2,000,000	1.00%	27/03/2015	24/03/2016	359	363	19,890
	Bank of Scotland	1,000,000	0.90%	30/03/2015	26/02/2016	332	333	8,211
	HSBC	935,000	0.50%	Call				0
Total Investments		£16,935,000	0.83%			159	282	£111,109

Borrower	Current Market Value (£)	Current Yield	Start Date	Initial Outlay (£)	Entry Cost (£) ¹	Initial Market Value (£)	Unrealised Growth / (Loss) (£)	% Growth
CCLA Property Fund	3,095,332	4.85%	31/07/2014	3,000,000	(163,104)	2,836,896	95,332	3.2%

1. Entry Costs were charged against Treasury Management Budget in 2014/15

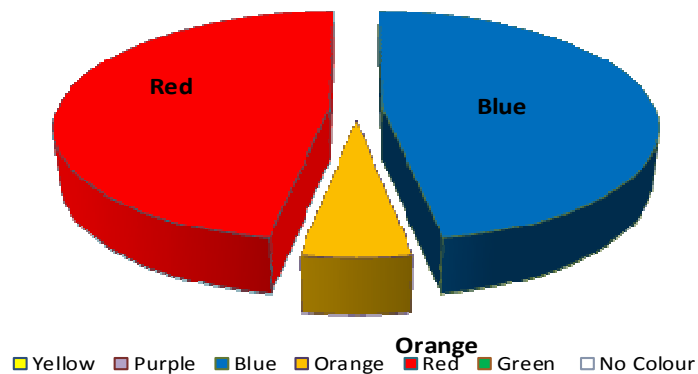
N.B Interest is recognised in the appropriate financial year in which it is due. The category colour represents the duration of investment recommended by Capita Asset Services, the Council's Treasury Advisors. Those investments with No colour, are still within the Council's investment Strategy and are therefore deemed suitable for investing.

INVESTMENT SUMMARY SHEET

						Weighted Average Rate of Return	Weighted Average Days to Maturity	Weighted Average Days to Maturity from Execution
	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution
Yellow	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Purple	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Blue	47.24%	8,000,000	0.00%	-	0.00%	0.97%	230	360
Orange	5.52%	935,000	100.00%	935,000	5.52%	0.50%	0	0
Red	47.24%	8,000,000	0.00%	-	0.00%	0.72%	125	225
Green	0.00%	-	0.00%	-	0.00%	0.00%	0	0
No Colour	0.00%	-	0.00%	-	0.00%	0.00%	0	0
	100.00%	16,935,000	5.52%	935,000	5.52%	0.83%	167	276

	Risk Score for Colour (1 = Low, 7 = High)	Mar 2015	Dec 2014	Sep 2014	Mar 2014
1	0.0	0	0	0	0
2	0.0	0	0	0	0
3	1.4	1.4	1.3	2.5	
4	0.2	0.4	0.4	0.0	
5	2.4	2.3	2.1	0	
6	0.0	0.0	0.0	1.0	
7	0.0	0	0	0.0	
	4.0	4.1	3.8	3.5	

**Portfolio Composition by Capita's
Suggested Lending Criteria**



	Sector's Suggested Criteria
Y	Up to 5 Years
P	Up to 2 Years
B	Up to 1 Year
O	Up to 1 Year
R	Up to 6 months
G	Up to 3 months
N/C	No Colour

Government Backed
Non Government
Backed

Normal' Risk
Score 3.5 3.5 3.5 3.5