

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY & FINANCE COMMITTEE

INFORMATION

Agenda Item No 20

meeting date: 24 SEPTEMBER 2019  
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 August 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 The Bank of England base rate increased from 0.50% to 0.75% in August 2018 where it remained at 31<sup>st</sup> August 2019.
- 3.2 The increase in interest rate only impacted on the amount of interest received on our temporary investments as all interest payable on the Council's long-term loan debt from the Public Works Loan Board (PWLB) is at fixed interest rates.
- 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 no movement on the Council's external borrowing during the period as the instalments in respect of the PWLB are only paid at the end of September and March. Total external debt can be summarised as follows:

	<b>Total £000</b>
External Debt at 1 April 2019	136
Transactions - New Loans	0
- Repayments	0
<b>External debt at 31 August 2019</b>	<b>136</b>

- 4.2 No temporary loans were taken out in the current financial period up to August 2019, or in the same period in 2018.
- 4.3 No half yearly instalment of interest is due until 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 movement in the Council's external investments during the reporting period are shown in Annex 1 and are summarised below:

	<b>Banks/Building Societies £000</b>	<b>Other Local Authorities £000</b>	<b>Total £000</b>
Monies Invested at 1 April 2019	4,175	8,000	12,175
Transactions - New Investments	46,275	9,500	55,775
- Repayment Investments	-40,680	-15,000	-55,680
<b>Monies Invested as at 31 August 2019</b>	<b>9,770</b>	<b>2,500</b>	<b>12,270</b>
<b>Interest April – August 2019</b>			<b>36</b>

- 5.3 Investments were held with the following organisations at 31 August 2019:

<b>Date Invested</b>	<b>Nos</b>	<b>Borrower</b>	<b>Notice</b>	<b>Rate %</b>	<b>£'000</b>	<b>£'000</b>
22-Jul-19	46/2	Bank of Scotland plc	13-Sep-19	0.68%	1,480	
						<b>1,480</b>
29-Jul-19	77	Coventry	13-Sep-19	0.58%	795	
29-Aug-19	88	Coventry	16-Sep-19	0.50%	955	
						<b>1,750</b>
14-Jun-19	48	Lancashire County Council	12-Jun-20	0.95%	2,500	
						<b>2,500</b>
08-Aug-19	27/2	Leeds	22-Nov-19	0.69%	1,750	
						<b>1,750</b>
17-Jun-19	57	Lloyds Bank plc	19-Sep-19	0.90%	850	
28-Aug-19	87	Lloyds Bank plc	13-Sep-19	0.60%	440	
						<b>1,290</b>
08-Aug-19	85	Nationwide BS	22-Nov-19	0.70%	1,750	
						<b>1,750</b>
16-Aug-19	86	Yorkshire	13-Sep-19	0.67%	590	
19-Aug-19	63/2	Yorkshire	13-Sep-19	0.67%	1,160	
						<b>1,750</b>
<b>Total Investments as at 31 August 2019</b>					<b>12,270</b>	<b>12,270</b>

- 5.4 The total interest received on the Council's external investments during the period was £35,622 compared with £19,677 in the previous year.
- 5.5 In August 2019 the Council reached an agreement with its banking provider, HSBC, to secure an interest rate payable on bank account balances at a rate of 0.1% below the Bank of England base rate.
- 5.6 Prior to this arrangement, in order to secure interest on our balances, it was necessary to place funds over fixed terms with HSBC money market through our online banking system, hsbc.net.
- 5.7 In terms of value for money the new arrangement has the following benefits:
- **Economic value:** Under the new arrangement the Council has secured a higher interest rate with HSBC, currently 0.65% for balances at bank compared to 0.60% on the money market. Rates will continue to be monitored to ensure economic value continues to be achieved.
  - **Increased efficiency:** During 2018/2019 close to 200 investments were placed with HSBC money markets. By removing the need to utilise this facility there is a reduction to the administrative cost of treasury management activities.
  - **Greater effectiveness:** In terms of risk management the Council's exposure to liquidity and interest rate risks have reduced. Higher cash balances result in an increased ability to deal with any unexpected payments whilst also maintaining the flexibility to take advantage of potentially advantageous investment opportunities and interest rates with alternative counterparties.

## 6 LOCAL GOVERNMENT BONDS AGENCY

- 6.1 The Council has one longer-term investment of £10,000 which was placed with the Local Government Bonds Agency in 2014. The agency is a freestanding independent body that is owned by the local government sector with the purpose of raising money efficiently on the capital markets at regular intervals to on-lend to participating bodies.
- 6.2 The contribution that we have invested will be returned to us after 10 years of successful operations of the agency, together with interest which will be earned at commercial rates.

## 7 PRUDENTIAL INDICATORS

- 7.1 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.
- 7.2 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.
- 7.3 These prudential indicators are designed to deliver accountability in taking capital financing, borrowing and treasury management decisions.
- 7.4 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.

7.5 The Council's actual long-term debt at 31<sup>st</sup> August 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 <sup>st</sup> August 2019 £000's	Breaches to limits 2019/ 2020
Borrowing	19,935	1,685	136	NONE
Other Long-Term liabilities	0	0	0	NONE

7.6 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.

## 8 APPROVED ORGANISATIONS

8.1 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.

8.2 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 as at 31<sup>st</sup> August 2019 is shown at Annex 3.

8.3 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	01/03/19	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

- 8.4 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<sup>st</sup> August 2019 are as follows:

Name	Fitch's Full Transaction Review Date	Long Term	Short Term
Santander UK Plc	01/03/19	A +	F1
Barclays Bank Plc*	06/06/19	A+	F1
Bank of Scotland Plc	01/03/19	A+	F1
HSBC Bank Plc	06/06/19	AA-	F1+
Lloyds Bank Plc	01/03/19	A+	F1
National Westminster Bank Plc	01/03/19	A+	F1
Royal Bank of Scotland Plc (The)	01/03/19	A	F1

\* Changed since last reported

- 8.5 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.

## 9 RECENT EVENTS

- 9.1 In August 2019 the Bank of England's Monetary Policy Committee (MPC) voted unanimously to maintain the Bank Rate at 0.75%.
- 9.2 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 0.6% in the 4<sup>th</sup> quarter of 2019 before reducing down to 0.5% in 2020.

## 10 EXPOSURE TO RISK

- 10.1 With the risks surrounding the UK's exit from the UK, it is imperative that we continue to protect the Council's principal sums invested in order to minimise its exposure to risks.
- 10.2 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.

## 11 CONCLUSION

- 11.1 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.
- 11.2 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

PF44-19/VT/AC  
6 September 2019

For further information please ask for Val Taylor

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

**ANNEX 1**

<b>Date Invested</b>	<b>Temporary Investment Number</b>	<b>Borrower</b>	<b>Amount Invested £</b>	<b>Interest rate %</b>	<b>Date Repaid</b>	<b>Principal Repaid £</b>	<b>Interest Received or Due £</b>	<b>Fitch Long Term Rating</b>	<b>Fitch Short Term Rating</b>
<b>Investments Brought Forward at 1 April 2019</b>									
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	-170.97	A+	F1
		Debtor					93.76		
02-Jan-19	181	Nationwide BS	1,540,000	0.72%	02-Apr-19	Rolled Over	-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		



Date Invested	Temporary Investment Number	Borrower	Amount Invested	Interest rate %	Date Repaid	Principal Repaid	Interest Received or Due	Fitch Long Term	Fitch Short Term
		Debtor					1,297.40		
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		
<b>Monies Invested at 1 April 2019</b>			<b>12,175,000</b>			<b>-10,305,000</b>	<b>-4,451.20</b>		
<b>Investments made April to August 2019</b>									
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+
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+
10-Apr-19	9	HSBC Bank plc	370,000	0.60%	11-Apr-19	-370,000	-6.08	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested	Interest rate %	Date Repaid	Principal Repaid	Interest Received or Due	Fitch Long Term	Fitch Short Term
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+
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	-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+
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+

Date Invested	Temporary Investment Number	Borrower	Amount Invested	Interest rate %	Date Repaid	Principal Repaid	Interest Received or Due	Fitch Long Term	Fitch Short Term
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	-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+
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+

Date Invested	Temporary Investment Number	Borrower	Amount Invested	Interest rate %	Date Repaid	Principal Repaid	Interest Received or Due	Fitch Long Term	Fitch Short Term
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%	22/07/2019	Rolled Over	-1,475.95	A+	F1
31-May-19	47	DMO	2,500,000	0.50%	14-Jun-19	-2,500,000	-479.45		
14-Jun-19	48	Lancashire County Council	2,500,000	0.95%	Still Invested	Still Invested	-5,075.34		
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+

Date Invested	Temporary Investment Number	Borrower	Amount Invested	Interest rate %	Date Repaid	Principal Repaid	Interest Received or Due	Fitch Long Term	Fitch Short Term
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%	Still Invested	Still Invested	-1,571.92	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+
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	-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

Date Invested	Temporary Investment Number	Borrower	Amount Invested	Interest rate %	Date Repaid	Principal Repaid	Interest Received or Due	Fitch Long Term	Fitch Short Term
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+
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%	Still Invested	Still Invested	-416.88	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	AA-	F1+
05-Aug-19	82	HSBC Bank plc	270,000	0.60%	12-Aug-19	-270,000	-31.07	AA-	F1+
05-Aug-19	83	HSBC Bank plc	270,000	0.60%	08-Aug-19	-270,000	-13.32	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested	Interest rate %	Date Repaid	Principal Repaid	Interest Received or Due	Fitch Long Term	Fitch Short Term
07-Aug-19	84	HSBC Bank plc	100,000	0.60%	08-Aug-19	-100,000	-1.64	AA-	F1+
08-Aug-19	85	Nationwide	1,750,000	0.70%	Still Invested	Still Invested	-771.92	A	F1
16-Aug-19	86	Yorkshire	590,000	0.67%	Still Invested	Still Invested	-162.45	A-	F1
28-Aug-19	87	Lloyds Bank plc	440,000	0.60%	Still Invested	Still Invested	-21.70	A+	F1
29-Aug-19	88	Coventry	955,000	0.50%	Still Invested	Still Invested	-26.16	A+	F1
20-May-19	15/2	Wirral MBC	Rolled over	0.75%	04-Jul-19	-2,000,000	-1,849.32	-	-
15-Apr-19	164/4	Lloyds Bank plc	Rolled over	0.61%	13-May-19	Rolled Over	-154.42	A+	F1
13-May-19	164/5	Lloyds Bank plc	Rolled over	0.61%	14-Jun-19	-330,000	-176.48	A+	F1
02-Apr-19	181/2	Nationwide BS	Rolled over	0.75%	04-Jul-19	-1,540,000	-2,942.88	A	F1
08-Aug-19	27/2	Leeds	Rolled over	0.69%	Still Invested	Still Invested	-760.89	A-	F1
22-Jul-19	46/2	Bank of Scotland plc	Rolled over	0.68%	Still Invested	Still Invested	-1,102.90	A+	F1
19-Aug-19	63/2	Yorkshire	Rolled over	0.67%	Still Invested	Still Invested	-255.52	A-	F1
<b>Investments April - August 2019</b>			<b>55,775,000</b>			<b>-45,375,000</b>	<b>-31,171.07</b>		
<b>Total Investments 2019/20 (including Brought Forward from 2018/19)</b>			<b>67,950,000</b>			<b>-55,680,000</b>	<b>-35,622.27</b>		

## POLICY AND FINANCE COMMITTEE

<b>Fitch Rating Definitions</b>	
<b>International Long-Term Credit Ratings</b>	
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
<b>International Short-Term Credit ratings</b>	
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 AUGUST 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	
<b>Building Societies</b>											
Nationwide	A	A-1	Positive	Aa3	P-1	Negative	01/03/19	A	F1	Negative	£1m min
Yorkshire	-	-	-	A3	P-2	Stable	04/04/19	A-	F1	Negative	
Coventry	-	-	-	A2	P-1	Stable	04/04/19	A-	F1	Negative	Sterling Brokers
Skipton	-	-	-	Baa1	P-2	Positive	04/04/19	A-	F1	Negative	
Leeds	-	-	-	A3	P-2	Stable	24/04/19	A-	F1	Negative	3 Mth
Principality	-	-	-	Baa2	P-2	Stable	04/04/19	BBB+	F2	Negative	No Contact
<b>Banks</b>											
Santander UK Plc.	A	A-1	Stable	Aa3	P-1	Positive	01/03/19	A+	F1	Negative	
Barclays Bank Plc.	A	A-1	Stable	A2	P-1	Positive	06/06/19	A+	F1	Negative	
Bank of Scotland Plc.	A+	A-1	Stable	Aa3	P-1	Stable	01/03/19	A+	F1	Negative	
HSBC Bank Plc.	AA-	A-1+	Stable	Aa3	P-1	Stable	06/06/19	AA-	F1+	Negative	
Lloyds Bank Plc.	A+	A-1	Stable	Aa3	P-1	Stable	01/03/19	A+	F1	Negative	£250k
National Westminster Bank Plc.	A	A-1	Stable	A1	P-1	Positive	01/03/19	A+	F1	Negative	Current a/c required
Royal Bank of Scotland Plc.	A	A-1	Stable	A1	Baa1	Positive	01/03/19	A	F1	Negative	Current a/c required
<b>Banks not currently meeting minimum Fitch Short Term requirement of F2 (and not currently approved for investments)</b>											
Co-operative Bank (The)	-	-	-	B3	B3	Positive	30/07/19	B	B	Negative	£1m min