

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CHIEF FINANCIAL OFFICER	AUDIT AND STANDARDS COMMITTEE	10 NOVEMBER 2022	6
MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT 2022/23			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

This report is a mid-year Prudential Indicators and Treasury Management monitoring report which has been prepared in line with the recommendations of CIPFA's (Chartered Institute of Public Finance Accountants) Code of Practice on Treasury Management. The report will also be presented for consideration at the Council meeting of 5th December 2022.

RECOMMENDATIONS

The committee are recommended to:

1. Scrutinise and note the Mid-Year Prudential Indicators and Treasury Management monitoring report; and
2. Recommend to Council that the Prudential Indicators and the Investment Limits as shown at Appendix B of this report be approved.

SUMMARY OF PREVIOUS DECISIONS

Council approved the 2022/23 to 2025/26 Capital Strategy, which incorporated the Prudential Indicators, at its meeting on 3rd March 2022.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	✓

MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT 2022/23 – POSITION AS AT 30th SEPTEMBER 2022

Report

The Code of Practice on Treasury Management requires the Council to receive a Mid-Year Treasury Review report in addition to the forward-looking Annual Capital Strategy and the backward-looking Annual Treasury Report. The Code of Practice also requires Members to scrutinise the Treasury Management function.

CIPFA published its revised Treasury Management Code of Practice [the TM Code] and Prudential Code for Capital Finance in December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments. The principles within the two Codes took immediate effect although local authorities could defer introducing the revised reporting requirements within the revised Codes until the 2023/24 financial year if they wish, which the Authority has elected to do.

Treasury risk management at the Authority is conducted within the framework of the TM Code. This Code now also includes extensive additional requirements for service and commercial investments, far beyond those in the 2017 version.

Background

The Code of Practice on Treasury Management requires the Council to receive a Mid-Year Treasury Review Report, in addition to the forward looking Annual Treasury Strategy, Capital Strategy and Annual Treasury Report.

The Mid-Year Treasury Review report has been prepared in compliance with the Code of Practice. In order to assist with the terminology and explanations that are included within this report Appendix A sets out a Glossary of Treasury Terms and a number of Treasury Management and Prudential Indicators Frequently Asked Questions. Appendix B sets out the latest Treasury Management position compared to the forecast Prudential Indicators.

1. Economic Update

1.1 Economic Background

- 1.1.1 The ongoing conflict in Ukraine has continued to put pressure on global inflation and the economic outlook for UK and world growth remains weak. The UK political situation towards the end of the period following the 'fiscal event' increased uncertainty further.
- 1.1.2 The economic backdrop during the April to September period continued to be characterised by high oil, gas and commodity prices, ongoing high inflation and its impact on consumers' cost of living, no imminent end in sight to the Russia-Ukraine hostilities and its associated impact on the supply chain, and China's zero-Covid policy.
- 1.1.3 The Bank of England increased the official Bank Rate to 2.25% over the period. From 0.75% in March, the Monetary Policy Committee (MPC) pushed through rises of 0.25% in each of the following two MPC meetings, before hiking by 0.50% in August and again in September. August's rise was voted by a majority of 8-1, with one MPC member preferring a more modest rise of 0.25%. the September vote was 5-4, with five votes for an 0.5% increase, three for an 0.75% increase and one for an 0.25% increase. The Committee noted that domestic inflationary pressures are expected to remain strong and so given ongoing strong rhetoric around tackling inflation further Bank Rate rises should be expected.
- 1.1.4 On 23rd September the UK government, following a change of leadership, announced a raft of measures in a 'mini budget', loosening fiscal policy with a view to boosting the UK's trend growth rate to 2.5%. With little detail on how government borrowing would be returned to a sustainable path, financial markets reacted negatively. Gilt yields rose dramatically by between 0.7% - 1% for all maturities with the rise most pronounced for shorter dated gilts. The swift rise in gilt yields left pension funds vulnerable, as it led to margin calls on their interest rate swaps and risked triggering large scale redemptions of assets across their portfolios to meet these demands. It became necessary for the Bank of England to intervene to preserve market stability through the purchase of long-dated gilts, albeit as a temporary measure, which has had the

desired effect with 50-year gilt yields falling over 100bps in a single day.

1.2 Economic Outlook

- 1.2.1 Uncertainty on the path of interest rates has increased dramatically due to the possible risk from unknowns which could include for instance another general election or further tax changes including implementing windfall taxes.
- 1.2.2 UK government policy has mitigated some of the expected rise in energy inflation for households and businesses flattening the peak for CPI, whilst extending the duration of elevated CPI. Continued currency weakness could add inflationary pressure.
- 1.2.3 The UK economy already appears to be in recession, with business activity and household spending falling. The short to medium term outlook for the UK economy is relatively bleak.
- 1.2.4 The housing market impact of increases in the Base Rate could act as a “circuit breaker” which stops rates rising much beyond 5%, but this remains an uncertainty.

1.3 Interest Rate Forecast

- 1.3.1 The latest forecast for interest rates from the Council’s Treasury Advisors, Arlingclose, is shown in Table 1 below. Arlingclose currently expects Bank Rate to rise further during 2022/23 to reach 5% by the end of the year.
- 1.3.12 Investors have priced in multiple rises in Bank Rate to 6.0% by the quarter to September 2023. While Arlingclose believes Bank Rate will rise it is by a lesser extent than expected by the markets.

Table 1: Interest Rate Forecast from Arlingclose

Quarter Ending	Bank Rate %	Investment Rates %		Borrowing Rates %		
		3 month	5 year	5 year	20 year	50 year
Current	2.25	2.25	4.53	6.33	6.12	5.75
Dec 2022	4.25	4.25	4.50	6.30	6.05	5.70
Mar 2023	5.00	5.25	4.60	6.40	6.05	5.70
Jun 2023	5.00	5.25	4.50	6.30	5.95	5.60
Sep 2023	5.00	5.25	4.50	6.30	5.90	5.60
Dec 2023	5.00	5.25	4.40	6.20	5.80	5.60
Mar 2024	5.00	5.25	4.30	6.10	5.70	5.40
Jun 2024	5.00	5.25	4.20	6.00	5.70	5.40
Sep 2024	5.00	5.25	4.10	5.90	5.60	5.30
Dec 2024	4.75	4.75	4.00	5.80	5.60	5.30
Mar 2025	4.25	4.25	3.90	5.70	5.60	5.30
Jun 2025	3.75	3.75	3.80	5.60	5.60	5.30
Sep 2025	3.25	3.25	3.70	5.50	5.60	5.30

2. **Debt Management**

- 2.1 The Council currently holds no external debt, and the authority remains debt free.

- 2.2 The Council's underlying need to borrow is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts. For 2022/23 the Council has a £4.1m Capital Financing Requirement (CFR) based on prudential borrowing for past and current capital expenditure that has been approved as part of the Capital Programme (See Appendix B Table 2). Currently this is being funded by the Council's cash flow, i.e. internal borrowing, and it is expected that internal borrowing will continue to be used for the rest of the financial year in line with advice from the Council's Treasury Advisors.
- 2.3 The use of internal resources in lieu of borrowing, i.e. internal borrowing, has continued to be the most cost-effective means of funding capital expenditure. Using internal borrowing lowers the overall treasury risk by reducing both external debt and temporary investments. However, this position may not be sustainable over the longer term. Consequently, external borrowing options and the timing of such borrowing will continue to be assessed in consultation with the Council's Treasury Advisors.
- 2.4 PWLB loans are no longer available to local authorities who plan to buy investments primarily for yield. Borrowing is permitted for cashflow management, interest rate risk management, to refinance current borrowing and to adjust levels of internal borrowing. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, and preventative action. The Council does not intend to borrow to invest primarily for commercial return

3. Investments

3.1 Treasury Investment Activity

- 3.1.1 CIPFA revised TM Code defines treasury management investments as those which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.
- 3.1.2 The Council holds significant invested funds, representing income received in advance of expenditure, monies held on behalf of the Council Tax and Business Rates Collection Fund (Lancashire County Council, the Police and Crime Commissioner for Lancashire and Lancashire Combined Fire Authority) plus balances and reserves held.
- 3.1.3 The Council's cash flow has continued to remain high with £38.7m of cash and investments being held as at 30th September 2022. This balance of funds is likely to reduce during the remainder of the financial year. The balance of the Council's own bank account will ideally be kept below £2m to ensure sufficient liquidity for all the financial transactions undertaken by the Council. Due to cash flow fluctuations this limit may be exceeded on occasion and if the limit is exceeded for more than three working days the Section 151 Officer or Deputy Section 151 Officer will review the position.
- 3.1.4 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 3.1.5 Given the risk from short-term unsecured bank investments, the Authority has continued to invest in Local Authority loans with a maximum duration of 365 days.
- 3.1.6 The security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in the Investment Strategy for 2022/23 approved by Council on 3rd March 2022.
- 3.1.7 The Council defines "high credit quality" organisations as:
- those having a credit rating of A- or higher and that are domiciled in the UK for deposits of up to one year,

- those domiciled in a foreign country those with a sovereign rating of AA+ or higher for deposits of up to one year.

These criteria are specified within table 4 (Approved Investment Counterparties and limits) of the Treasury Management Strategy as approved by the Council on 3rd March 2022.

3.1.8 Internally managed funds of £36.2m (average for the period to 30th September 2022) have been invested in deposit accounts, call accounts, Local Authorities, Money Market Funds and the Debt Management Office during the first half of the year.

3.1.9 Deposits have been made at an average rate of 1.59%, which is above the benchmark return (based on the SONIA – Sterling Overnight Interbank Average Rate) of 1.24%. This has been achieved due to the increase in the Bank base rate on short term deposits and as fixed term investments matured and were replaced with investments at the higher rate.

The Council's original estimate for investment income for 2022/23 was £31.4k. Income from investments is higher than the forecast amount due to upward returns driven by the increase in Bank base rate combined with higher than anticipated levels of funds available for investment. Consequently, this income budget has been reviewed and will be increased to £510.7k to reflect the latest estimated level of income, representing an increase in forecast interest earnings for the current year of £479.3k. This change will be updated in the financial forecast included within the council's Medium term Financial Strategy report, together with updated estimates for future years.

3.1.10 The Council has adhered to the security, liquidity and yield indicators that were presented as part of the Treasury Management Strategy for 2022/23.

4. Revisions to the Treasury Management Code of Practice and Prudential Code

4.1 In December 2021 CIPFA published its revised Treasury Management Code of Practice and Prudential Code for Capital Finance. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments. The principles within the two Codes took immediate effect although local authorities could defer introducing the revised reporting requirements until the 2023/24 financial year which the Council has elected to do.

5. Compliance

5.1 The Chief Financial Officer reports that all treasury management activities undertaken during the half year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

5.2 Details of the Prudential Indicators can be found in Appendix B. As changes arise during the year some of the Prudential Indicators and Limits need to be revised.

6. Risk Assessment

6.1 Scrutiny of the revised Prudential Indicators and Limits and the subsequent recommendation of approval to the revisions by Audit and Standards Committee to Council helps to protect the Council from the risk of not having adequate liquidity or funding for the Council's capital plans.

6.2 Additionally, if this scrutiny process was absent the Council would not be compliant with the Council's approved Treasury Management Practices (as detailed in the Council Constitution) or CIPFA's Code of Practice on Treasury Management.

7. Conclusion

7.1 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first half of 2022/23. As indicated in this

report, none of the treasury limits have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report.
Legal	This report secures the continued compliance with the Council's approved Treasury Management Practices (as detailed in the Council Constitution) and CIPFA's Code of Practice on Treasury Management.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658566	November 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy Update Including General Fund, Capital Programme & Treasury 2021/22 – 2025/26	Council meeting 3rd March 2022	www.fylde.gov.uk

Attached documents

1. Appendix A – Glossary of Treasury Terms and Treasury Management and Prudential Indicators Frequently Asked Questions
2. Appendix B – Prudential Indicators
3. Appendix C – Existing Investment and Debt Portfolio Summary

Glossary of Treasury Terms

Term	Description
Counterparty	Another party to an agreement.
Credit rating	A measure of the credit worthiness of an institution, corporation, or a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the counterparty being able to pay back a loan.
Liquidity	As assessment of how readily available an investment is. It is safer to invest in liquid assets because it is easier for an investor to get their money out of the investment.
Minimum Revenue Provision (MRP)	The minimum amount that the Council must charge to the revenue accounts each year in order to reflect the notional costs of financing capital expenditure.
Security	As assessment of the creditworthiness of a counterparty.
Treasury adviser	External consultancy firms that provide information to local authorities, including information regarding counterparty creditworthiness.
Prudential Borrowing	Borrowing that is not funded via the Revenue Support Grant or other grant aid system but rather from the Council's own resources, this is conditional that prudence is demonstrated.

Treasury Management and Prudential Indicators Frequently Asked Questions

1. What is the difference between capital expenditure and capital financing requirement?

Capital Expenditure is defined as expenditure on the acquisition, creation or enhancement of tangible fixed assets, subject to a de minimis level of £10,000. It includes expenditure on land, buildings and vehicles.

The Capital Financing Requirement (CFR) is the level of total funding that is required to fund the capital programme. The actual level of external borrowing may be lower than the CFR as a consequence of the use of internal borrowing. Internal Borrowing occurs when the Council temporarily uses its own cash resources to finance capital expenditure rather than arranging new external borrowing. This is a prudent approach when investment returns are low and counterparty risk is high.

2. What does the term 'financing' mean?

The term 'financing' does not refer to the payment of cash but the resources that will be applied to ensure that the capital payment amount is dealt with over the longer term. A number of financing options are available to Councils:

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- capital receipts (e.g. sale of land or buildings)
- contribution from revenue expenditure
- capital grant
- contribution from a third party
- borrowing
- contribution from earmarked reserves

3. Does the Council link long term loans to particular capital assets/projects?

The Council does not directly associate loans with particular capital assets/projects, as this is not best practice. The Council will, at any point in time, have a number of cash flows both positive and negative and will be managing its position in terms of its borrowings and investments in accordance with its treasury management strategy and practices. This is best practice in line with the CIPFA Prudential Code.

4. What does the term 'net borrowing should not exceed the total of the CFR' mean?

Net borrowing will remain below the CFR to ensure that the Council is only borrowing for a capital purpose. The Council is permitted to borrow in advance for a capital purpose over the medium term. The term 'total of the CFR' is the CFR of the current year plus increases in the CFR of the previous financial year and next two financial years. In other words, the total of the Council's existing assets, plus additions to assets resulting from forecast Capital Programme expenditure, e.g. vehicles. This gives the Council some headroom to borrow early for a capital purpose in order to secure low interest rates.

5. Is the cash that is being managed in-house revenue or capital?

The short term surplus cash that is managed during the year in house may be revenue or capital, e.g. the Council may receive a capital receipt in April but capital expenditure is incurred throughout the year which gives rise to increased cash balances in the early part of the financial year which is invested short term by the in house treasury team. The Council receives Council Tax which is classed as revenue income. Council Tax income is typically received in the months of April to January as the majority of Council Tax payers make 10 instalments. Therefore, the Council has less cash in the months of February and March and may need to borrow cash short-term in line with the cash flow forecast.

6. What does the Council invest in?

The Council is restricted in where it can invest its surplus funds. The restrictions are prescribed by statute (Local Government Act 2003 section 12(1) (b)). Councils are also required to have regard to supplementary investment guidance provided by the Communities and Local Government.

The Council's investments are typically short term, i.e. less than a year, and are made in sterling with institutions with high credit ratings. This is in accordance with the Treasury Management Strategy approved on the 3rd March 2022.

7. What is the role of internal and external auditors in respect of treasury management?

The focus of external auditors work is a Council's annual accounts and the financial management systems and processes that underpin them. The external audit will enquire as to whether the Treasury Management Code has been adopted and whether its principles and recommendations have been implemented and adhered to.

Through a process of review, the role of Internal Audit is to provide an opinion of the adequacy, application and reliability of the key internal controls put in place by management to ensure that the identified risks are sufficiently mitigated. This will assist Treasury Management in meeting its desired objectives and help to ensure that the risk of fraud and/or error is minimised. Internal Audit will also look to identify other areas of potential risk which could usefully be included as well as any inefficiencies in existing processes and procedures where improvements can be made. Treasury Management is one of the core financial systems and as such is audited on a cyclical basis.

8. What are the qualifications of Council staff involved in treasury management practices?

Staff are either working towards or have achieved professional accountancy qualifications from CIPFA (Chartered Institute of Public Finance Accountants), ACCA (Association of Chartered Certified Accountants) or CIMA (Chartered Institute of Management Accountants). Staff work closely with the Council's Treasury Management Advisors and attend regular treasury training and updates (provided by the Treasury Management Advisors).

Prudential Indicators

1.1 Capital Expenditure

Table 1 shows the revised forecast capital expenditure as reported in the latest Capital Programme Monitoring Report as at 30th September 2022 as compared to the capital expenditure originally approved by Council.

Table 1: Forecast Capital Expenditure

Forecast Capital Expenditure	2022/23 Original Indicator £M	2022/23 Latest Estimate £M
Total	14.0	18.5

The above table shows the forecast capital expenditure for 2022/23. The large increase in the latest estimate of capital spend for the year is a consequence of slippage and re-phasing of a number of capital schemes from 2021/22 into 2022/23.

1.2 Capital Financing Requirement (CFR)

Table 2 shows the CFR which is the total of all of the Council's capital assets (existing and planned) less all of the Council's capital reserves. This is the amount of capital expenditure that the Council has still to finance. The CFR is normally funded by external borrowing but currently is being funded by the Council's cash flow, i.e. internal borrowing, and it is expected that internal borrowing will continue to be used for the rest of the financial year in line with advice from the Council's Treasury Advisors. The Council has no existing borrowing therefore there is a requirement to finance £4.1m from internal cash resources as described in section 3 of the report.

Table 2: Capital Financing Requirement (CFR)

	2022/23 Original Indicator £M	2022/23 Latest Estimate £M
Total CFR	4.1	4.1

The latest estimate of the CFR is in line with the original approved indicator.

1.3 Gross Debt and Capital Finance Requirement

The Council needs to ensure that its total capital borrowing does not, except in the short term, exceed the total of the CFR. Table 3 below shows that the Council will be able to comply with this requirement.

There are no difficulties anticipated in keeping the long term capital borrowing below the CFR.

Table 3: Gross Debt and Capital Finance Requirement

As at 31/03/2021	2022/23 Original Indicator £M	2022/23 Latest Estimate £M
Estimated Long Term Borrowing	0	0
Capital Financing Requirement	4.1	4.1

The Council is forecast to be able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2022/23, in line with advice from Treasury Advisors.

1.4 Authorised Limit and Operational Boundary for External Debt

Affordable Borrowing Limit: The Council is legally obliged to set an affordable borrowing limit (also termed 'Authorised Limit' for external debt) each year. In line with statutory guidance, a lower 'Operational Boundary' is also required to be set as a warning level should debt approach the limit. This is detailed in table 4.

The Operational Boundary is based on the maximum external debt during the course of the year. It is not a limit and therefore may be exceeded on occasion.

The Authorised Limit for external debt represents the limit beyond which borrowing is prohibited, and is set and revised by Council. It reflects the level of borrowing which, in extreme circumstances, could be afforded in the short term. This is a statutory limit which should not be breached.

There were no breaches to the Authorised Limit and the Operational Boundary to 30th September 2022.

Table 4: Authorised Limit and Operational Boundary for External Debt

	2022/23 Original Indicator £M	2022/23 Latest Estimate £M
Authorised Limit – total external debt	8.0	6.0
Operational boundary	2.0	0

Note

1. The Authorised Limit and Operational Boundary have reduced as a consequence of there being no requirement to borrow in the short-term for day to day cash flow. The Council is able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2022/23.

2. The Authorised Limit includes £6.0m for 'contingency' which is an amount that has been estimated to provide scope to undertake short-term borrowing in the event of a service delivery failure or emergency, e.g. a failure to collect council tax income.

1.5 Forecast Treasury Position

Table 5 shows the expected balances for investments and debt at 31st March 2023.

Table 5: Forecast Treasury Position

	2022/23 Estimate £M	2022/23 Revised £M
Debt (Long-Term External Borrowing)	0	0
Investments	17.2	25.2

The Council has not undertaken any new external long-term borrowing as it is funding capital expenditure with internal borrowing (see Section 3 of the report).

The forecast investments position has been updated to reflect the latest changes to the movements in reserves, provisions and capital expenditure. The increase in the level of investments at the 31st March 2022 from £17.2m to £25.2m is a consequence of the forecast timing of daily cash flows.

1.6 Proportion of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the financing costs (Minimum Revenue Provision (MRP) plus interest payable less interest receivable) as a percentage of the net revenue stream as shown in Table 6.

Table 6: Ratio of Financing Costs to Net Revenue Stream

	2022/23 Estimate £M	2022/23 Revised £M
Financing costs (£m)	0.745	0.234
Proportion of net revenue stream	6.3%	2.0%

The latest estimate of net financing costs is lower than the original estimate due to the increase of interest receivable on investments, predominantly with other local authorities and money market funds. This is a result of the Monetary Policy Committee (MPC) raising the Bank base rate to tackle domestic inflationary pressures.

1.7 Investments over 365 days

This limit is set to ensure adequate liquidity and is the maximum amount of funds the Council will invest longer term.

Table 7: Investments over 365 days

	2022/23 Estimate £M	2022/23 Revised £M
Limit for investments over 365 days	5.0	0

1.8 Credit Risk, Liquidity & Investment Benchmarking

The Council manages its exposures to counterparty credit risks by aiming for an average credit rating of A- for the investment portfolio. Credit scores are calculated as AAA = 1, AA+ =2, etc.

The Council's treasury advisors Arlingclose have analysed the Council's credit, liquidity, market risk and yield score compared to Arlingclose Authority clients of a similar type and Arlingclose Authority clients as a whole and the results are shown in Table 8.

Table 8: Credit Risk, Liquidity & Investment Benchmarking

Credit Risk at 30 th September 2022	Fylde Council	44 English Non-Met District Councils Average	121 Local Authorities Average
Security - Average Credit Score (time-weighted)	4.94	4.23	4.23
Security - Average Credit Rating (time-weighted)	A+	AA-	AA-
Liquidity – Proportion Available Within 100 Days	74%	62%	71%
Market Risks – Strategic Fund Volatility	0	4.5%	6.2%

Yield - Internal Investment Return	1.59%	1.70%	1.72%
Longer Term Cash Plus Funds – Income Return	0	0.66%	0.63%
Longer Term Strategic Funds – Income Return	0	3.87%	3.97%

Existing Investment & Debt Portfolio Position at 30.09.22

	30.09.22 Actual Portfolio £m	30.09.22 Average Rate %
External Borrowing:		
Public Works Loan Board	0	-
Total External Borrowing	0	
Treasury investments:		
<u>Short Term</u>		
Banks – unsecured	(2.7)	2.15
Debt Management Office (DMO)	(3.0)	1.85
Local Authority Loans	(16.0)	0.99
LCC Call Account Facility	(3.5)	2.00
Money Market Funds	(13.5)	2.06
Total Treasury Investments	(38.7)	
Net Borrowing / (Lending)	(38.7)	