Inverclyde council

AGENDA ITEM NO. 7

Report To:	**Policy & Resources Committee**	**Date:**	**14 November 2017**
Report By:	**Chief Financial Officer**	**Report No:**	**FIN/89/17/AP/KJ**
Contact Officer:	**Alan Puckrin**	**Contact No:**	**01475 712223**
Subject:	**TREASURY MANAGEMENT – MID-YEAR REPORT 2017/18**		

1.0 PURPOSE

1.1 The purpose of this report is to advise Members of the operation of the treasury function and its activities for the first six months of 2017/18 as required under the terms of Treasury Management Practice 6 ("TMP6") on "Reporting Requirements and Management Information Arrangements".

2.0 SUMMARY

2.1 As at 30 September 2017 the Council had gross external debt (including PPP) of £272,356,170 and investments of £42,682,816. This compares to gross external debt (including PPP) of £273,735,658 and investments of £38,935,922 at 31 March 2017.

2.2 The Council is projected to be underborrowed by £47,191,000 compared to its Capital Financing Requirement as at 31 March 2018. This is an increase in projected underborrowing of £6,259,000 from the estimate of £40,932,000 in the 2017/18 Treasury Management Strategy. The Council has undertaken no borrowing so far in 2017/18 and no borrowing is projected for the remainder of the year. The under borrowing position means that the Council is using funds it currently has (such as reserves) to cash flow capital expenditure rather than bringing in new funds from borrowing.

2.3 The average rate of return achieved on investments during the first six months of 2017/18 was 0.47% which exceeds the benchmark return rate for the period of 0.18% by 0.29% and resulted in £58,000 of additional interest on investments for the Council.

2.4 During the first six months of 2017/18 the Council did not undertake any debt restructuring and operated within the required treasury limits and Prudential Indicators for the year set out in the Council's Treasury Policy Statement, annual Treasury Strategy Statement, and the Treasury Management Practices.

2.5 On 3 January 2018 an EU Directive (MIFID II) comes into effect that will require banks/financial organisations to categorise the Council as a "retail" client but allows the Council to elect to be a "professional" client provided it meets criteria set by the Financial Conduct Authority. There will be no financial impact or exposure for the Council based on the option chosen andapproval is being sought for decisions in respect of individual banks/financial organisations to be delegated to the Chief Financial Officer.

2.6 It is also proposed that linked to the MIFID II changes above, the Finance Manager (Social Care), Finance Manager (Education & Exchequer) and the Finance Manager (Environment & Technical) each be authorised to exercise powers delegated to the Chief Financial Officer in relation to Treasury Management issues where the Chief Financial Officer is absent. The Committee is being requested to consider this change and remit the proposal to Full Council for their approval.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee notes the contents of the Mid-Year Report on Treasury Management for 2017/18 and the ongoing work to ensure the delivery of financial benefits for the Council.

3.2 It is recommended that decisions in relation to MIFID II on whether to elect to be a “professional” client for individual banks/financial organisations be delegated to the Chief Financial Officer.

3.3 It is recommended that the Mid-Year Report be remitted to the Full Council for approval.

3.4 It is recommended that the Committee remits, to the Full Council for their approval, the proposal that the Finance Manager (Social Care), Finance Manager (Education & Exchequer) and the Finance Manager (Environment & Technical) each be authorised to exercise powers delegated to the Chief Financial Officer in relation to Treasury Management issues where the Chief Financial Officer is absent.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The Council is required by the CIPFA Code of Practice on Treasury Management 2011 and the CIPFA Prudential Code for Capital Finance in Local Authorities to produce a mid-year treasury management review of activities and prudential and treasury indicators for 2017/18.

4.2 Treasury Management in this context is defined as: "The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

4.3 A glossary of treasury management terms is attached as Appendix 1.

5.0 MID-YEAR REVIEW

5.1 The treasury management issues arising during the first six months of 2017/18 were:

a. The Council's debt (including PPP) has reduced during the period by £1.380m due to repaying maturing debt/liabilities without undertaking new borrowing.
b. The Council's investments have increased by £3.747m due to regular cash flow movements.
c. As at 31 March 2017 the Council had under borrowed against its capital financing requirement by £35.073m. The latest projection is for the under borrowing to increase to £47.191m as at 31 March 2018. Under borrowing means that the Council is using funds it currently has to cash flow capital expenditure rather than bringing in new funds from borrowing. The projected level of under borrowing is considered manageable but the position is kept under review in light of Council capital financing and other funding requirements.
d. There remains ongoing volatility in the financial markets and economic uncertainty in the UK and around the world. This includes uncertainty over the UK Bank Rate i.e. when the Bank of England will make the first increase from the record low of 0.25% and the likely timing and level of any future increases.
e. The Council's treasury advisers are forecasting no change to the Bank Rate until an increase to 0.50% in Quarter 4 of 2019. The forecast was made prior to recent comments from the Monetary Policy Committee meeting and from the Governor of the Bank of England suggesting an increase possibly in the coming months.
f. During the period PWLB rates for new borrowing had been expected to remain flat but the rates increased by between 0.18% and 0.36%. The volatility during the 6-month period resulted in spreads between the high and low rates for some loan periods of up to 0.50% (e.g. a short-term new borrowing rate of 1.32% was at 1.82% during the period).
g. The Council's treasury advisers expect PWLB rates to rise gently during the rest of the year but the extent and speed of increase will depend on economic factors affecting the UK and global markets.
h. No borrowing has been undertaken during 2017/18 to date and no borrowing is projected for the rest of the year.
i. The Council did not undertake any debt restructuring during the first six months of 2017/18 and remained within its Prudential Indicator and Treasury Management limits.
j. Investment returns were expected to remain relatively low and this was indeed the position during the period but investment rates actually fell during the period, including for the notice accounts that the Council had with Santander UK.
k. The Council's investments earned a rate of return of 0.47% during the period and outperformed the benchmark return of 0.18% resulting in additional income to the Council of £58,000.
l. All investments were in accordance with the Council's investment policy and no institutions with which investments were made had any difficulty in repaying those investments and interest in full during the period.

m. The Council's investment performance is due to undertaking fixed term investments and placing funds in notice accounts at interest rates that were above the benchmark with counterparties that have high creditworthiness (the Bank of Scotland and Santander UK) and in accordance with the Council's investment strategy.

5.2 In addition:

a. On 8 August the Policy & Resources Committee approved an investment in an ethical investment organisation and to waive any interest due on the investment. The £50,000 invested with Shared Interest Society Limited is part of the investment balances included in this report.
b. CIPFA are undertaking consultation exercises on proposed changes to the Code of Practice on Treasury Management and to the Prudential Code for Capital Finance in Local Authorities. The impact of any reporting or other changes from these Codes will be reflected in future reports to Committee on Treasury Management issues.
c. In May 2017 the UK Government sold the last of their remaining shares in the Lloyds Banking Group which includes the Bank of Scotland who are the Council's bankers and with whom the Council has regularly undertaken fixed term deposits. The sale of these final shares has had no impact on the Bank's credit rating or the Council's ability to undertake investments with them.
d. The Council's contract with the Bank of Scotland for banking services is for 5 years from 1 April 2012 until 31 March 2017 with an option to extend for a further two 1 year periods until 31 March 2019. The Council exercised the option for the first of the 1 year periods and proposes to exercise the second, with a tendering exercise for a new contract to take place during 2018/19.
e. The Council's Treasury Advisers (Capita Treasury Solutions Limited) are being sold to an Australian company, Link Group, with the sale expected to complete towards the end of 2017. The Council's contract runs until 30 June 2018 with the option of a 1 year extension. No adverse changes are expected for the Council but the position will be monitored.
f. On 3 January 2018 an EU Directive comes into force that further regulates financial markets. MIFID II (the Markets in Financial Instruments Directive) is being implemented in the UK by the Financial Conduct Authority (the FCA). One aspect of MIFID II is that banks and financial organisations must categorise their clients, with clients being treated as "retail" unless they can elect to be treated as "professional" and choose to do so. "Retail" clients are treated as having less knowledge and experience of financial markets and instruments than "professional" clients and so there are greater requirements for the banks in areas such as assessing the suitability of instruments for those clients and in the regulatory information to be provided to them.

   The main issue for the Council from MIFID II is whether or not to elect to be a "retail" client or a "professional" client for each bank/financial organisation. There will be no financial impact or exposure for the Council from either option with the decision depending on the type of activity undertaken with each bank/financial organisation, noting that some banks may decide that they will only deal with "professional" clients. To be a "professional" client the Council must demonstrate that it meets criteria (as set by the FCA) in relation to previous investment dealings and the value of its deposits/investment funds (at least £10m) and that those agreeing investments for the Council have sufficient qualifications and experience to allow the Council to be treated as a "professional" client. This process has to be completed for each bank/financial organisation prior to any dealings on or after 3 January 2018.

   It is proposed that decisions on whether or not the Council decides to be treated as a "professional" client for individual banks/financial organisations be delegated to the Chief Financial Officer.

g. It is also proposed that the Finance Manager (Social Care), Finance Manager (Education & Exchequer) and the Finance Manager (Environment & Technical) each be authorised to exercise powers delegated to the Chief Financial Officer in relation to Treasury Management issues where the Chief Financial Officer is absent. The Committee is being requested to consider this change and remit the proposal to Full Council for their approval.

5.3 The Council's debt position was as follows:

	At 31 March 2017	At 30 September 2017
	£	£
Total Excluding PPP	208,047,658	207,536,170
PPP Debt	65,688,000	64,820,000
Total Including PPP	273,735,658	272,356,170

Further detail is given in the following table:

	At 31 March 2017		At 30 September 2017		Movement In Period
	Principal	Rate	Principal	Rate	Principal
	£000		£000		£000
Fixed Rate Funding:					
- PWLB	105,155		104,804		(351)
- Market *	40,000		56,000		See * Below
	145,155	3.87%	160,804	3.95%	(351)
Variable Rate Funding:					
- PWLB	0		0		0
- Market *	62,400		46,400		See * Below
- Temporary #	493		332		(161)
	62,893	4.90%	46,732	4.95%	(161)
Total Debt (Excl PPP)	208,048	4.18%	207,536	4.18%	(512)
PPP Debt	65,688		64,820		(868)
Total Debt (Incl PPP)	273,736		272,356		(1,380)

* - Market Loans are shown as variable when they have less than 1 year to go until their next call date. The total value of Market Loans has not changed between financial years, just the split between fixed and variable.

- Temporary Loans include funds held by the Council on behalf of the Common Good and Trust Funds that are treated as borrowing for Treasury Management purposes.

5.4 The Council's investment position was as follows:

	At 31 March 2017		At 30 September 2017		Movement In Period
	Principal	Return	Principal	Return	Principal
	£000		£000		£000
Investments:					
- Fixed Term Deposits	16,000	0.62%	17,500	0.57%	1,500
- Notice Accounts	14,603	0.70%	9,000	0.39%	(5,603)
- Shared Interest Society Limited	-	-	50	-	50
- Deposit Accounts	8,333	0.25%	16,133	0.25%	7,800
Totals	38,936	0.57%	42,683	0.41%	3,747

Maximum level of investments in Period: £48,552,017 on 15 September 2017
Minimum level of investments in Period: £34,219,100 on 27 September 2017
Daily average for the period: £40,312,714

5.5 2017/18 Latest Projection Compared to Estimates in 2017/18 Strategy

The latest 2017/18 projection compared to the estimates in the 2017/18 strategy:

	2017/18 Estimate	2017/18 Latest Projection
Borrowing Requirement	£000	£000
New borrowing	0	0
Alternative financing requirements	0	0
Replacement borrowing	0	0
TOTAL	0	0
Prudential/Treasury Management Indicators	£000	£000
Gross external debt including PPP (As at 31 March 2018)	271,438	271,438
Capital financing requirement (As at 31 March 2018)	312,370	318,629
(Under)/over borrowing against CFR	(40,932)	(47,191)
Capital expenditure	£000	£000
• Capital Programme	32,629	36,697
• PPP Schools/Finance Leases (incl. accounting adjustments)	(2,039)	(2,039)
Total	30,590	34,658
Ratio of financing costs (including PPP/Finance Leases) to net revenue stream	13.85%	13.75%
Incremental impact of capital investment decisions - incremental increase in council tax (band D) per annum (use of capital receipts and prudential borrowing for capital expenditure)	£1.15	£1.45

5.6 2017/18 Mid-Year Position Compared to Limits in 2017/18 Strategy

The 2017/18 mid-year position compared to limits in the 2017/18 strategy:

	2017/18 Limits	2017/18 Mid-Year Actual Position
Prudential/Treasury Management Indicators Authorised limit for external debt	£000	£000
• Borrowing	216,000	207,536
• Other long term liabilities	66,000	64,820
	282,000	272,356
Operational boundary for external debt	£000	£000
• Borrowing	211,000	207,536
• Other long term liabilities	66,000	64,820
	277,000	272,356
Upper limit for fixed interest rate exposure	130%	98%
Upper limit for variable rate exposure	40%	2%

	2017/18 Limits	2017/18 Mid-Year Actual Position
<u>Prudential/Treasury Management Indicators (continued)</u> Upper limit on sums invested for periods longer than 364 days (Actual is maximum in period)	£000 10,000	£000 0
Limits on fixed rate borrowing maturing in each period (LOBOs included based on call dates and not maturity dates) at 31 March 2018		
• Under 12 months	45%	6.5%
• 12 months and within 24 months	45%	3.2%
• 24 months and within 5 years	45%	25.6%
• 5 years and within 10 years	45%	10.2%
• 10 years and within 30 years	45%	4.7%
• 30 years and within 50 years	45%	24.9%
• 50 years and within 70 years	45%	24.9%
<u>Council Policy Limits</u> Maximum Percentage of Debt Repayable In Year	25%	19.2%
Maximum Proportion of Debt At Variable Rates	45%	22.5%
Maximum Percentage of Debt Restructured In Year	30%	0.0%

The forecast Investment Balances for 2017/18 required under Investment Regulation 31 and the actual position at 30 September 2017 is shown in Appendix 2. An analysis of the cash balances managed in-house is shown in Appendix 3.

5.7 The forecast from the Treasury Advisors in the 2017/18 Strategy for the Bank Rate as at 31 March and the latest forecast for the Bank Rate are:

	Forecast Per 2017/18 Strategy	Latest Forecast
2017/18	0.25%	0.25%
2018/19	0.25%	0.25%
2019/20	0.75%	0.75%

Comments by the Governor of the Bank of England at the end of September suggest that the Bank Rate could rise in the “relatively near term” but that any interest rate increases “- when and if they come – will be to a limited extent and gradual”.

5.8 The Council’s investment policy for the year is governed by Scottish Government Investment Regulations, which was implemented in the annual investment strategy approved by the Council on 6 April 2017. This policy sets out the approach for choosing investment categories and counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data such as rating outlooks, credit default swaps, bank share prices etc.

5.9 All investments were in accordance with the policy and no institutions with which investments were made had any difficulty in repaying investments and interest in full during the period.

The result of the investment strategy undertaken by the Council in the first six months of 2017/18 is as follows:

Average Investment	Rate of Return (gross of fees)	Benchmark Return (3 month LIBID uncompounded)
£40,312,714	0.47%	0.18%

The Council has outperformed the benchmark by 0.29% resulting in additional income to the Council of £58,000. Opportunities for the Council to out-perform the benchmark rate are becoming fewer due to more standardisation of rates and periods offered.

6.0 IMPLICATIONS

Legal

6.1 None. Any borrowing or lending is done under the Council's legal powers.

Finance: Through the achievement of exceeding the investment benchmark return rate, the Council has benefited from additional returns of £58,000. The Council utilises Treasury Management as part of the overall Financial Strategy. Officers will continue to investigate borrowing and investment opportunities to bring financial benefits to the Council, all within the Treasury Management Policy.

Human Resources

6.2 None

Equalities

6.3 None

Repopulation

6.4 None

7.0 CONSULTATIONS

7.1 This report has been produced based on advice from the Council's treasury advisers (Capita Treasury Solutions Limited).

8.0 LIST OF BACKGROUND PAPERS

8.1 CIPFA - Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes – 2011 Edition
Inverclyde Council – Treasury Management Strategy and Annual Investment Strategy 2017/18-2020/21.

Appendix 1

TREASURY MANAGEMENT
GLOSSARY OF TERMS

Authorised Limit for External Debt
This is a limit for total Council external debt as set by the Council based on debt levels and plans.

Bank of England
The central bank for the UK with ultimate responsibility for setting interest rates (which it does through the Monetary Policy Committee or “MPC”).

Bank Rate
The interest rate for the UK as set each month by the Monetary Policy Committee (“MPC”) of the Bank of England. This was previously referred to as the “Base Rate”.

Call Date
A date on which a lender for a LOBO loan can seek to apply an amended interest rate to the loan. The term “call date” is also used in relation to some types of investments with a maturity date where the investments can be redeemed on call dates prior to the maturity date.

Capital Expenditure
Expenditure on or for the creation of fixed assets that meets the definition of Capital Expenditure under the accounting rules as set-out in the Code of Practice on Local Authority Accounting in the United Kingdom and for which the Council are able to borrow.

Capital Financing Requirement
The Capital Financing Requirement (sometimes referred to as the “CFR”) is a Prudential Indicator that can be derived from the information in the Council’s Balance Sheet. It generally represents the underlying need to borrow for capital expenditure (including PPP schemes).

CIPFA
CIPFA is the Chartered Institute of Public Finance and Accountancy who produce guidance, codes of practice, and policy documents for Councils.

Counterparty
Another organisation involved in a deal i.e. if the Council enters a deal with a bank then the bank would be referred to as the “Counterparty”.

Credit Ratings
Credit ratings are indicators produced by a ratings provider (such as Fitch, Moody's or Standard & Poor's) that aim to give an opinion on the relative ability of a financial institution to meet its financial commitments. Credit ratings are not guarantees – they are opinions based on investigations and assessments by the ratings providers and they are regularly reviewed and updated. The Council makes use of credit ratings to determine which counterparties are appropriate or suitable for the Council to make deposits with.

The highest credit rating is AAA.

European Central Bank
Sometimes referred to as “the ECB”, the European Central Bank is the central bank for the Eurozone and is the equivalent of the Bank of England. The European Central Bank sets interest rates for the Eurozone.

Eurozone
This is the name given to the group of 19 countries in Europe that have the Euro as their currency and that participate in a monetary union. Interest rates in the Eurozone are set by the European Central Bank. The Eurozone is comprised of: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

Federal Reserve
Sometimes referred to as “the Fed”, the Federal Reserve is the central bank for the US and is the equivalent of the Bank of England. The Federal Reserve sets interest rates for the US.

Fixed Term Deposit
A Fixed Term Deposit or Fixed Term Investment is an investment with a named bank or financial institution which matures on a set date and which is repaid with interest on the maturity date. Fixed Term Deposits cannot be traded and cannot be terminated before the maturity date without the payment of a penalty (if at all).

Gilt Yields
A gilt yield is the effective rate of return that someone buying a gilt at the current market price will receive on that gilt. Since the market price of a gilt can vary at any time, the yield will also vary.

Gilts
Gilts are bonds (i.e. debt certificates) that are issued (i.e. sold) by the UK Government. When they issue gilts the Government sets the interest rate that applies to the gilt, sets when they will repay the value of the gilt, and it agrees to make interest payments at regular intervals until the gilt is repaid or redeemed. Gilts are traded in the financial markets with the price varying depending on the interest rate applicable to the gilt, when the gilt will be repaid (i.e. when it will mature), on Bank Rate expectations, and on market conditions.

Gross Domestic Product
Gross Domestic Product (“GDP”) is a measure of the output of goods and services from an economy.

Growth
Positive growth in an economy is an increase in the amount of goods and services produced by that economy over time. Negative growth in an economy is a reduction in the amount of goods and services produced by that economy over time.

Incremental Impact of Capital Investment Decisions
These are Prudential Indicators that reflect the impact on Council Tax of movements in projected and estimated capital expenditure within and between financial years.

Inflation
Inflation is the term used for an increase in prices over time. It can be measured in various ways including using the Consumer Prices Index (“CPI”) or the Retail Prices Index (“RPI”).

Investment Regulations
The Local Government in Scotland Act 2003 allows the Scottish Ministers to introduce Regulations to extend and govern the rules under which Scottish Councils may invest funds. The Local Government Investments (Scotland) Regulations 2010 came into effect on 1 April 2010.

LIBID
This is the London Interbank Bid Rate – an interest rate that is used between banks when they wish to attract deposits from each other.

LIBOR
This is the London Interbank Offering Rate – an interest rate that is used as a base for setting interest rates for deals between banks.

LOBO
This is a form of market loan that the Council has with some lenders. The term is short for the phrase “Lender Option/Borrower Option”.

MPC
The MPC or Monetary Policy Committee is a committee of the Bank of England that meets regularly during the year (in meetings over 2 days) to set the Bank Rate for the UK.

Operational Boundary
This is a level of debt set by the Council at lower than the Authorised Limit and which Council debt levels should not normally exceed during normal operations.

Prudential Code
Councils are required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities. These requirements include the production of Prudential Indicators. The Prudential Code was last revised in November 2011.

Prudential Indicators
Indicators set-out in the Prudential Code that will help Councils to meet requirements in relation to borrowing limits or which will help Councils demonstrate affordability and prudence with regard to their prudential capital expenditure.

PWLB
The Public Works Loan Board is a government agency and part of the Debt Management Office. The PWLB provides loans to local authorities and other specified bodies.

PWLB Certainty Rates
In the Budget in March 2012, the Chancellor of the Exchequer announced that local authorities that provide information on their long-term borrowing and capital spending plans would be eligible for a 0.20% discount rate for new PWLB borrowing. The PWLB Certainty Rates came into effect on 1 November 2012.

PWLB Rates
These are the interest rates chargeable by the Public Works Loan Board for loans. The rates for fixed rate loans are determined by the day on which the loan is agreed. The rates to be charged by the PWLB for loans are set each day based on gilt yields at the start of business each day and then updated at least once during the day.

Quantitative Easing
This is the creation of money by a central bank (such as the Bank of England) in order to purchase assets from banks and companies and boost the supply of money in an economy.

Spread
For interest rates the spread is the difference between the highest and lowest rate for that interest rate over a period.

Treasury Management Code
This is the “Treasury Management in the Public Services: Code of Practice” and is a code of practice for Council treasury management activities. It is produced by CIPFA and was last revised in November 2011.

Treasury Management Indicators
These are Prudential Indicators specifically relating to Treasury Management issues.

Treasury Management Practices (TMPs)
This is a Council document that sets out Council policies and procedures for treasury management as required by the Treasury Management Code. The Council also agrees an annual treasury management strategy that is submitted to Committee in accordance with the Treasury Management Practices.

Yield
The yield is the effective rate of return on an investment.

Finance Services
Inverclyde Council
October 2017.

Appendix 2

FORECAST OF INVESTMENT BALANCES
ESTIMATE FOR 2017/18 AND ACTUAL AT 30 SEPTEMBER 2017

Investment Regulation 31 requires the Council to provide forecasts for the level of investments. The estimate for 2017/18 and the actual as at 30 September 2017 are:

	2017/18	**2017/18**
	Estimate For Year	**Actual For 1 April 2017 To 30 September 2017**
	£000	£000
Cash balances managed in-house		
- At Start of Year	40,000	38,936
- At End of Year/Period	19,590	42,683
- Change in Year/Period	(20,410)	3,747
- Average daily cash balances	29,795	40,313
Holdings of shares, bonds, units (includes local authority owned company)		
- At Start of Year	2	2
- Purchases	0	0
- Sales	0	0
- At End of Year/Period	2	2
Loans to local authority company or other entity to deliver services		
- At Start of Year	602	563
- Advances	0	0
- Repayments	38	19
- At End of Year/Period	564	544
Loans made to third parties		
- At Start of Year	2,194	2,178
- Advances	10	15
- Repayments	110	15
- At End of Year/Period	2,094	2,178
Total of all investments		
- At Start of Year	42,798	41,679
- At End of Year/Period	22,250	45,407
- Change in Year/Period	(20,548)	3,728

CASH BALANCES MANAGED IN-HOUSE
ACTUAL AS AT 31 MARCH 2017 AND 30 SEPTEMBER 2017

The following is an analysis of cash balances managed in-house as at 31 March 2017 and at 30 September 2017:

	As At 31 March 2017	**As At 30 September 2017**
	£	£
Fixed Term Deposits		
Bank of Scotland	16,000,000	3,000,000
Santander UK	0	14,500,000
	16,000,000	17,500,000
Average Interest Rate	0.62%	0.57%
Notice Accounts		
Bank of Scotland	0	9,000,000
Santander UK	14,602,922	316
	14,602,922	9,000,316
Average Interest Rate	0.70%	0.39%
Ethical Investment Organisation		
Shared Interest Society Limited	0	50,000
	0	50,000
Average Interest Rate	-	-
Deposit Accounts		
Bank of Scotland	8,332,500	16,132,000
Santander UK	500	500
	8,333,000	16,132,500
Average Interest Rate	0.25%	0.25%
TOTAL	38,935,922	42,682,816
Average Interest Rate	0.57%	0.41%