

Appendix C

Security

The low actual risk for the Council's portfolio of investments reflects its cautious approach to counterparty selection which in turn is reflected in lower investment returns.

	Maximum risk level	Actual risk level	Variance
Investments maturing in < 1 year	0.060%	0.019%	0.041%
Investments maturing between 1 - 2 years	0.060%	n/a	-
Investments maturing between 2 - 3 years	0.080%	n/a	-

Liquidity

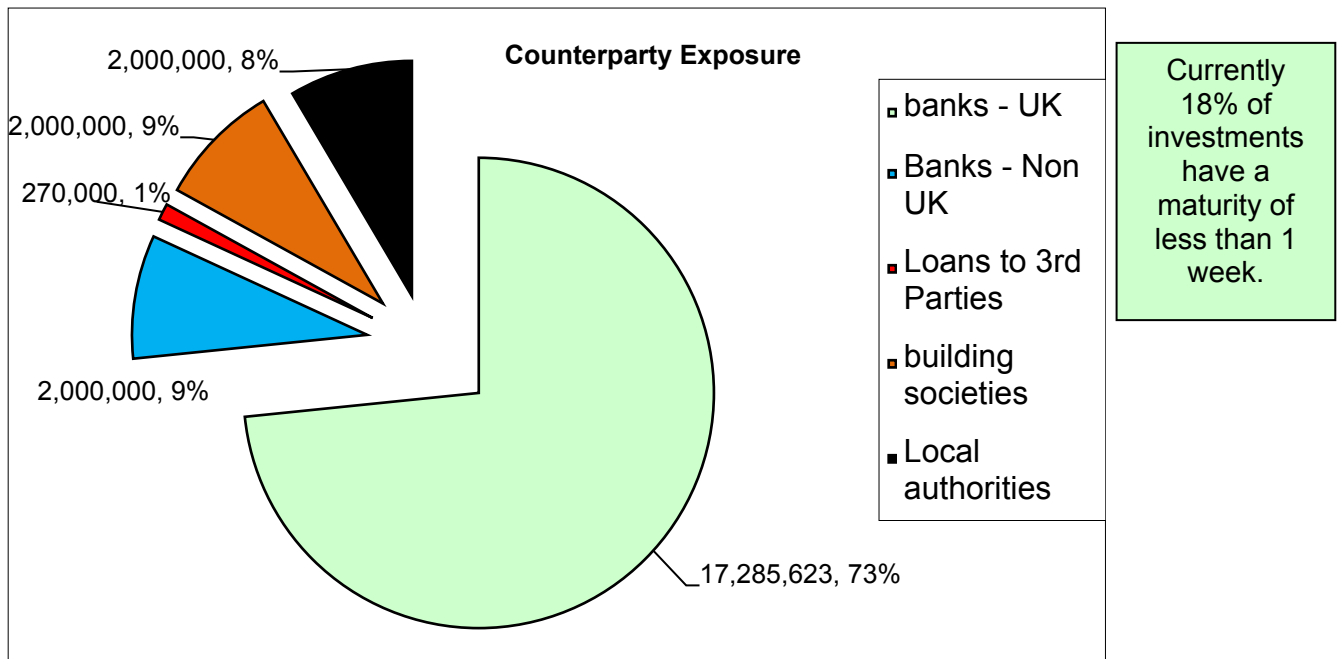
The Council had an average of £6.7m instant access cash available during the reporting period. This is slightly in excess of the working capital sum required (£5m) but reflects the potential requirement for funding for large asset purchases during the year. The end of year balance is below the £5m. The council did not use its overdraft facility in this reporting period.

Yield

	Budget	Forecast	Variance
Interest receivable 2018-19	£273,169	£276,405	(£3,236)
Yield (3 month LIBID ¹)	0.675%	0.891%	(0.216%)

The rate of return of 0.891% includes cash investments and loans to 3rd parties and is higher than the target yield. The additional income is a result of loans to 3rd parties at market rates continuing for a longer time frame than originally budgeted, higher balances than expected (due to lower spend on capital programme) and an increase to the base bank rate.

Our exposure to different counterparties is shown in the graph below.



Actions/Decisions required

None

¹ LIBID – London Inter-bank Bid Rate