

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%	0.003%	0.057%
Investments maturing between 1 - 2 years	0.060%	n/a	-
Investments maturing between 2 - 3 years	0.080%	n/a	-

Liquidity

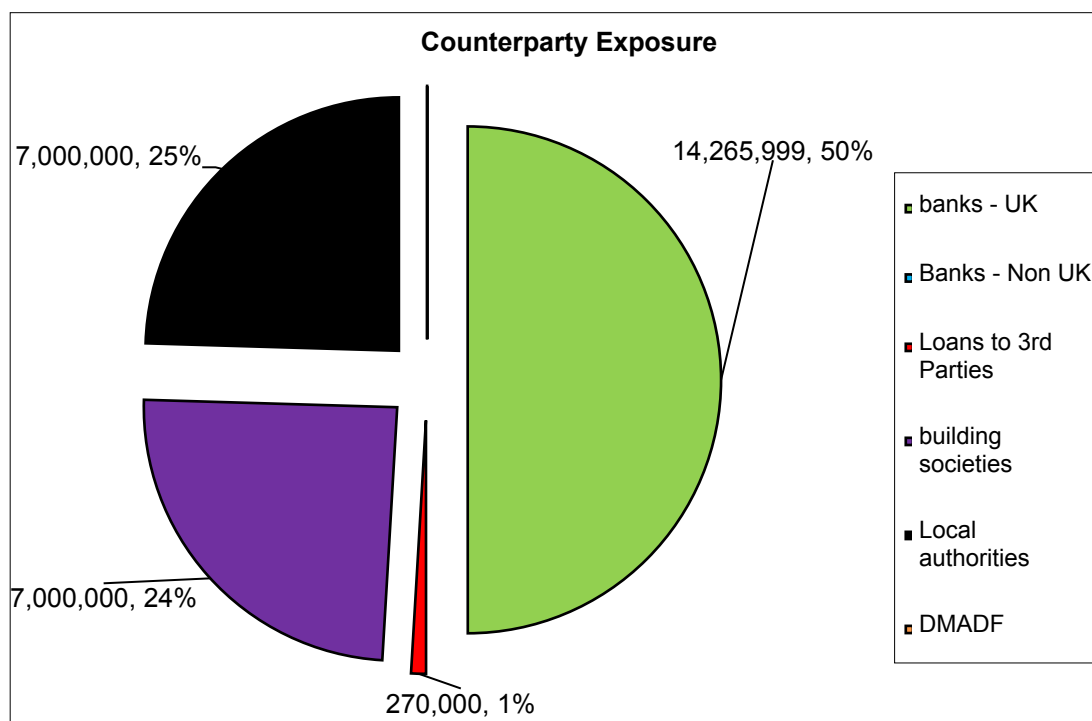
The Council had an average of £15.0m instant access cash available during the reporting period, as at 31 March the balance was £7.4m. This was exceptionally higher than our usual requirement of £5m due to additional Government grants received held short term to pay out grants, combined with a lack of available resource to make investments due to other priorities and low interest rates making investment deals more difficult. The council did not use its overdraft facility in this reporting period. The weighted average life (WAL) of investments was 21 days.

Yield

	Budget	Actual	Variance
Interest receivable 2020-21	£254,227	£231,109	£23,118
Yield (3 month LIBID ¹)	0.015%	0.473%	(0.458%)

The below budget income relates to expected loans to 3rd parties at market rates which will not be made this year due to timing delays and lower interest rates than anticipated in the revised budget.

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



Currently 46% of investments have a maturity of less than 1 week.

¹ LIBID – London Inter-bank Bid Rate