

Annual Treasury Management Report

Cabinet Member for Finance and Procurement

Date: 22 July 2020
Agenda Item: 4
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Key Decision? YES
Local Ward Members : Full Council



AUDIT (AND MEMBER STANDARDS) COMMITTEE

1. Executive Summary

- 1.1 The report covers the Treasury Management performance for the financial year 2019/20.
- 1.2 The Capital Programme was (**£13,362,351**) lower than the Revised Budget (**APPENDIX A**) mainly due to under performance on Investment in Property (**£10,500,000**).
- 1.3 Income from Capital Receipts was higher than the Revised Budget by (**£149,784**) due mainly to additional Bromford Right to Buy Sales achieved at the end of the financial year.
- 1.4 The funding of the Capital Programme in 2019/20 reflects the actual expenditure of **£2,296,649** and this includes lower funding from capital receipts of (**£264,162**) compared to the Revised Budget.
- 1.5 The borrowing need of **£4,304,990** is (**£10,504,010**) lower than the Revised Budget of **£14,809,000**. This is due to planned borrowing for the Investment in Property project not going ahead.
- 1.6 The Balance Sheet (**APPENDIX B**) shows a variance between actual and budget of **£13,222,000** on Assets less Liabilities and (**£13,222,000**) on Total Equity. These variances are explained at 3.20 but are in the main related to a reduction in the Long Term Pension Liability assessed by the Pension Fund Actuary that is statutorily offset by a reduction in the Unusable Pension Reserve.
- 1.7 The level of cash available was **£35,994,569** compared to the Revised Budget of **£23,749,376**. This was utilised for internal borrowing of **£713,840** and investments of **£35,280,729** (**APPENDIX C**).
- 1.8 The Council's investments achieved a risk status of **AA-** that was more secure than the aim of **A-** and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.
- 1.9 The report confirms the Council was compliant with all Treasury Limits and Prudential Indicators for 2019/20.

2. Recommendations

- 2.1 To review the report and issues raised within.
- 2.2 To review the actual 2019/20 Prudential Indicators contained within the report.

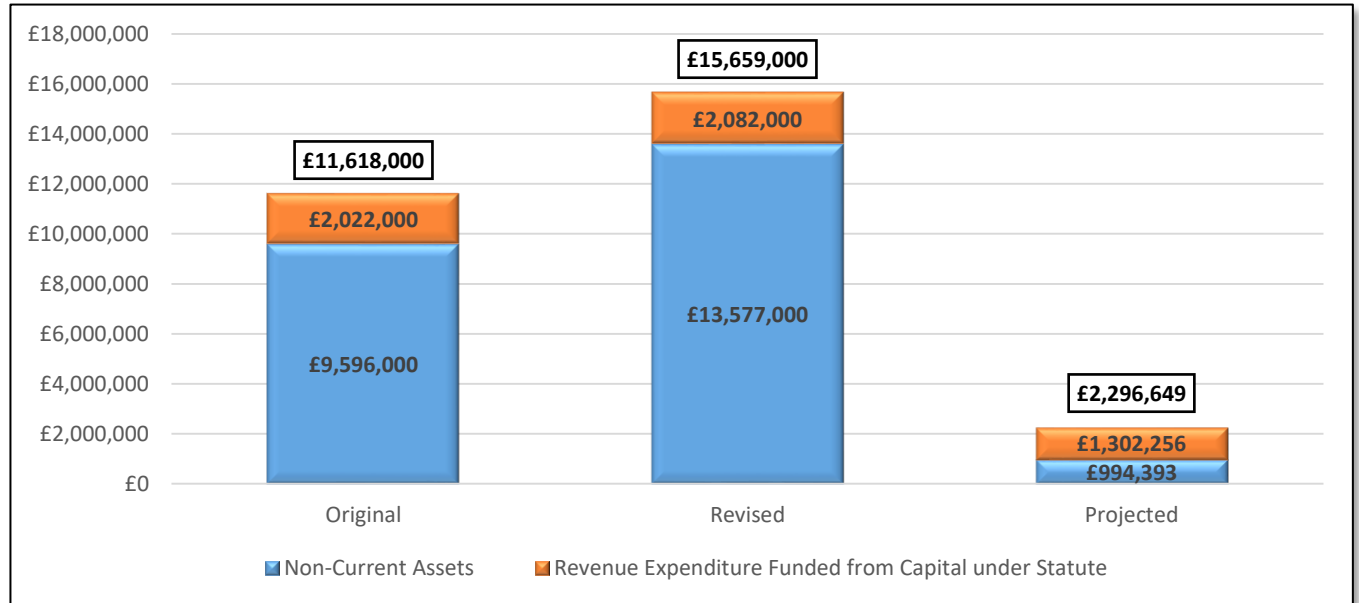
3. Background

The Capital Programme and Treasury Management

- 3.1 This Annual Treasury Report is a requirement of the Council's reporting procedures. It covers the Treasury activity during 2019/20 and the actual Prudential Indicators for 2019/20.
- 3.2 Treasury Management is defined as: *"The management of the local authority's investments and 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."*
- 3.3 Overall responsibility for Treasury Management remains with the Council. No Treasury Management activity is without risk; the effective identification and management of risk are integral to our Treasury Management objectives.
- 3.4 Our Treasury Management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members be informed of treasury management activities at least twice a year. We report regularly to the Cabinet and Audit and Member Standards Committee on Treasury policy; strategy and activity.
- 3.5 This report is prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential code and
 - presents details of capital spend, capital financing, borrowing and investment transactions;
 - reports on the risk implications of Treasury decisions and transactions;
 - gives details of the outturn position on Treasury Management transactions in 2019/20;
 - confirms compliance with Treasury limits and Prudential Indicators
- 3.6 The performance of the Treasury Management function should be measured against the investment objectives of **Security** (the safe return of our monies), **Liquidity** (making sure we have sufficient money to pay for our services) and **Yield** (the return on our investments) contained in Statutory Guidance.
- 3.7 In addition, external borrowing is considered against the objectives of it being **affordable** (the impact on the budget and Council Tax), **prudent** and **sustainable** (over the whole life).

The Capital Programme

3.8 A summary of the Capital Programme performance from the Revised Budget to the Actual for 2019/20 is shown in detail at **APPENDIX A** and in the chart below:



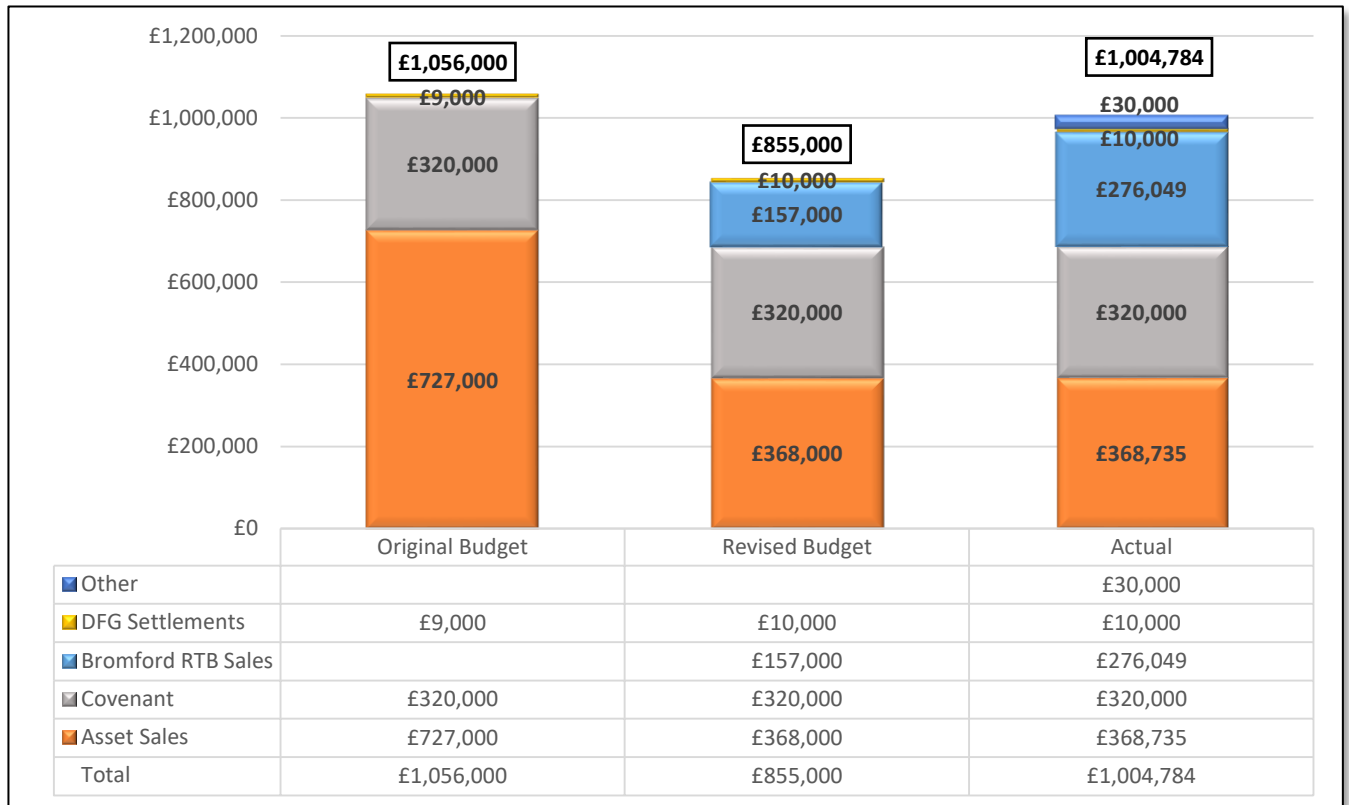
3.9 Capital expenditure was **£2,296,649** and this is **(£13,362,351)** less than the Revised Budget of **£15,659,000**. This included slippage of **£13,454,000** that was approved by Cabinet on 2 June 2020 to be added to the Capital Programme in 2020/21 when this delayed spend is planned to take place.

3.10 The main reasons for the variance to the Revised Budget are shown below:

	Variances	
	Slippage	Other
* Accessible Homes (Disabled Facilities Grants) - reflects delivery performance on the Support for Independent Living in Staffordshire Partnership	(£409,000)	
* Unallocated S106 Affordable Housing Monies - planned acquisitions have not been completed during the financial year as planned	(£270,000)	
* Burntwood Leisure Centre - Combined Heat and Power Unit - the completion of these works has been delayed due to technical utility issues	(£223,000)	
* Other Projects	(£335,000)	25,810
Enabling People Total	(£1,237,000)	£25,810
* Equity investment in the Council owned Company - the investment has taken place in 2020/21	(£225,000)	
* Other Projects	(£44,000)	65,213
Shaping Place Total	(£269,000)	£65,213
* Birmingham Road Site - Coach Park - acquisition was not completed and therefore the enhancement works did not take place	(£850,000)	
* Multi Storey Car Park Refurbishment Project - the programming of the works was adjusted to reflect the short term redevelopment works on the adjacent site	(£300,000)	
* Birmingham Road Site - Short Term Redevelopment - the commencement of the works was delayed	(£222,000)	
* Other Projects	(£50,000)	788
Developing Prosperity Total	(£1,422,000)	£788
* Investment in Property - planned acquisition did not take place due to PWLB consultation and subsequent CIPFA guidance	(£10,500,000)	
* Other Projects	(£26,000)	(162)
A Good Council Total	(£10,526,000)	(£162)
Total Variance	(£13,454,000)	£91,649
	(£13,362,351)	

Capital Receipts

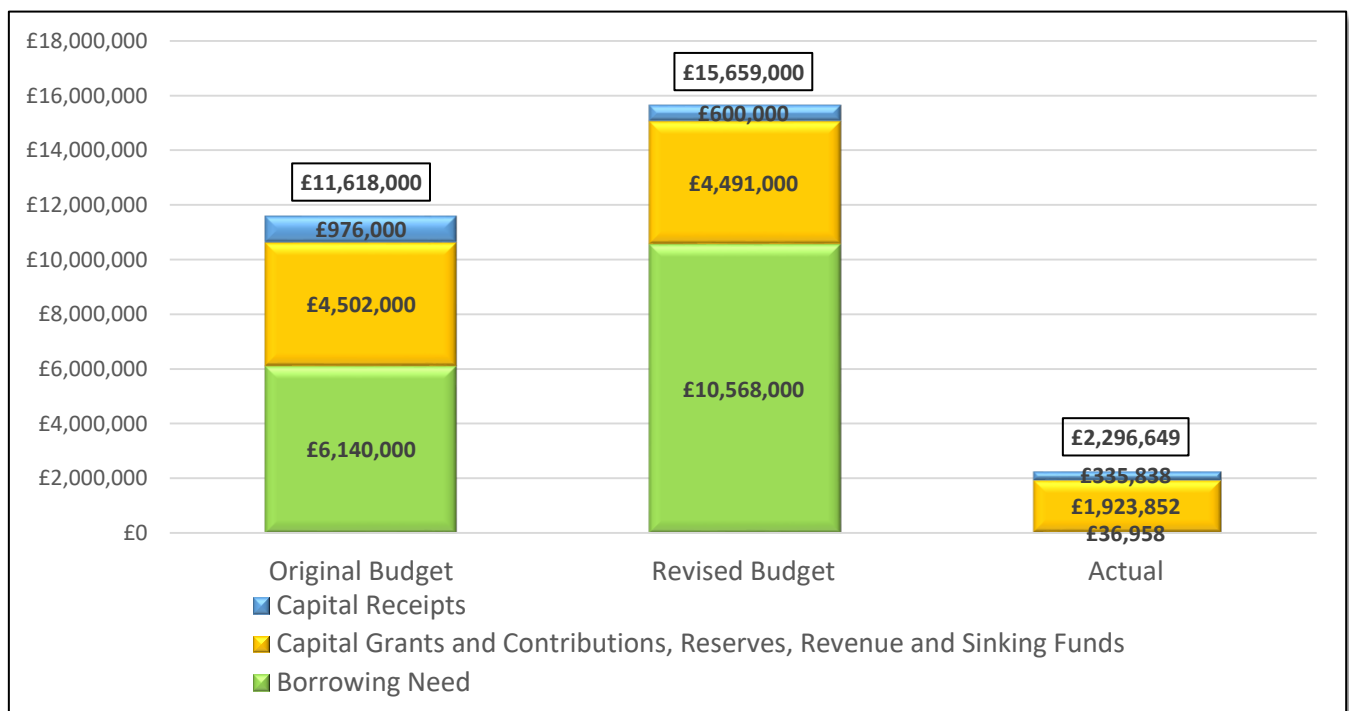
3.11 The Original Budget, Revised Budget and actual capital receipts received are shown below:



3.12 Capital receipts were **(£149,784)** higher than the Revised Budget. The main reason is that Bromford RTB Sales were higher than estimated because two properties with an income share of **(£147,000)** were sold during the final quarter.

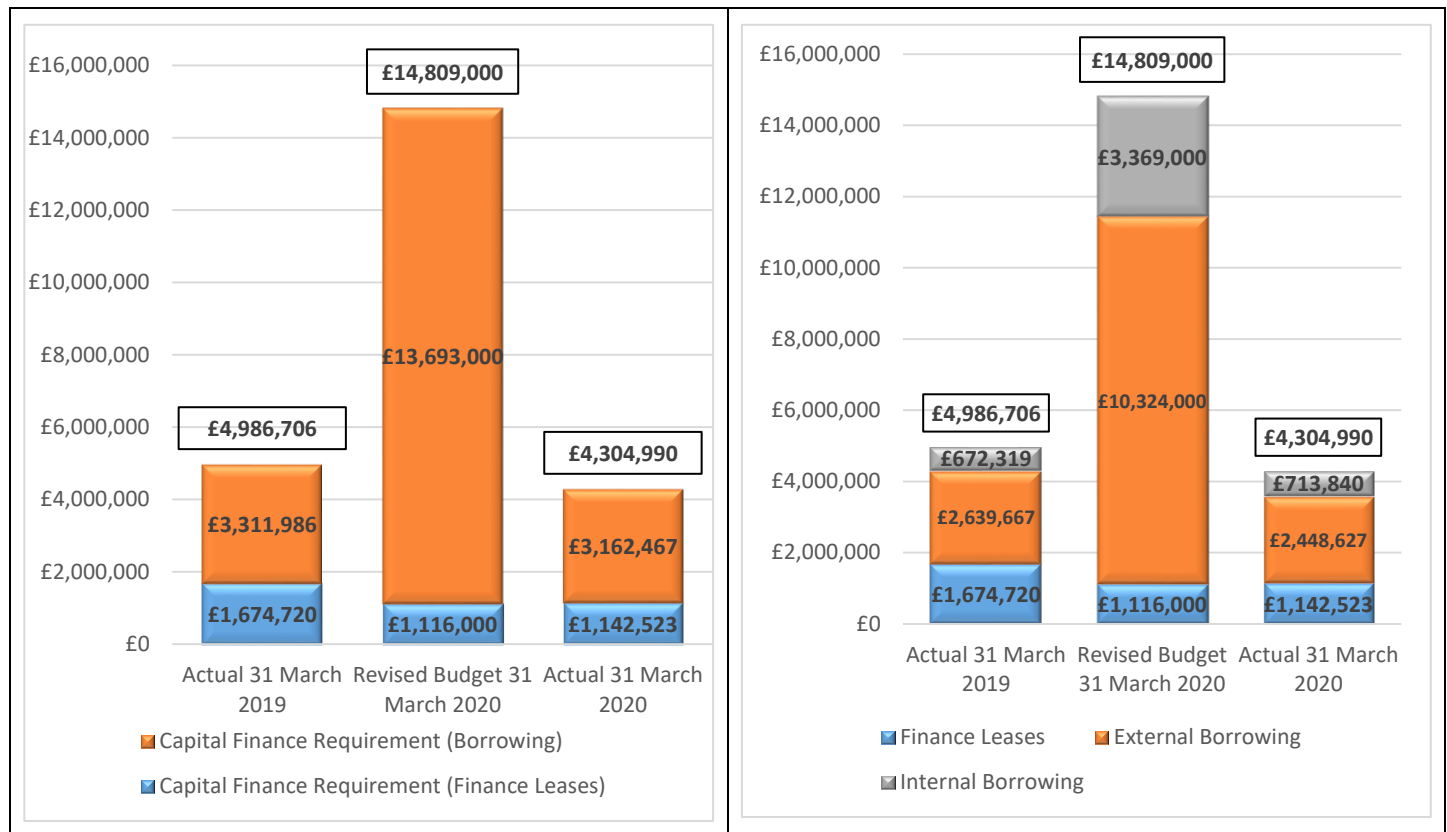
The Funding of the Capital Programme

3.13 The budgeted and actual sources of funding for the Capital Programme are shown below:



The Capital Financing Requirement (Borrowing Need) and its Financing

3.14 The actual and Budgeted Borrowing Need and its financing for 2018/19 and 2019/20 is shown below:



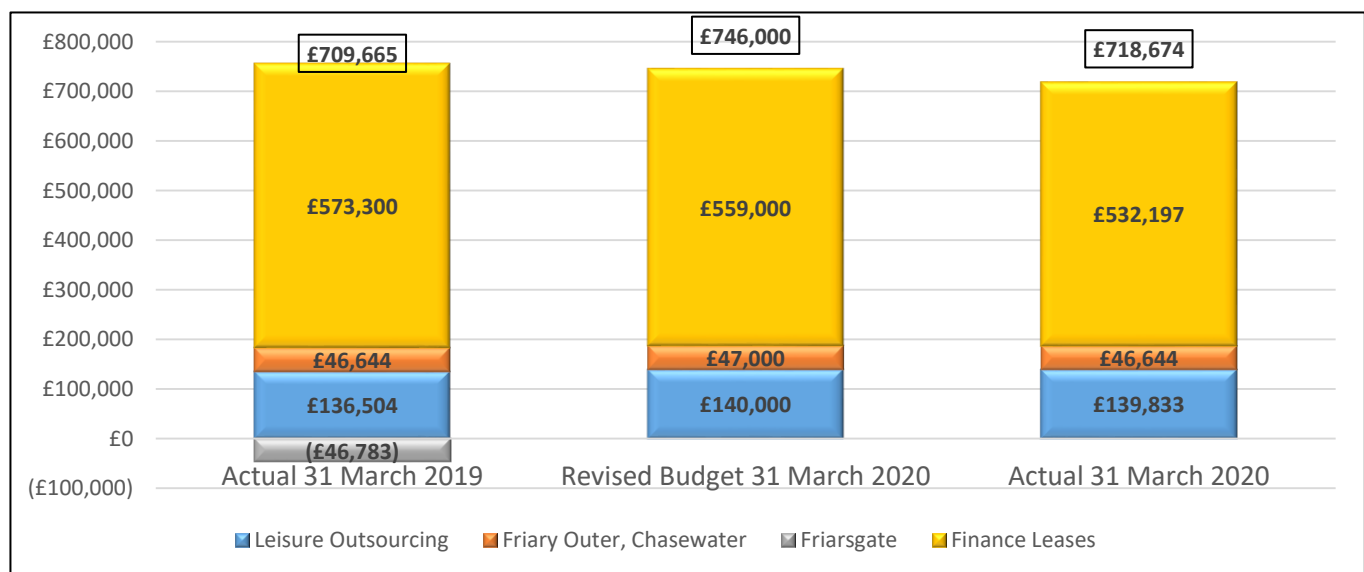
3.15 The Liability Benchmark (the lowest risk level of borrowing) is shown at **APPENDIX B** and was **(£22,652,000)** and compares to the Revised Budget of **(£3,938,000)** as shown at **APPENDIX B**.

3.16 The Liability Benchmark is higher than budgeted. This is due to higher useable reserves and working capital and no external borrowing being undertaken to fund investment in property.

3.17 It indicates that the Council does not need to externally borrow to fund its Capital Financing Requirement.

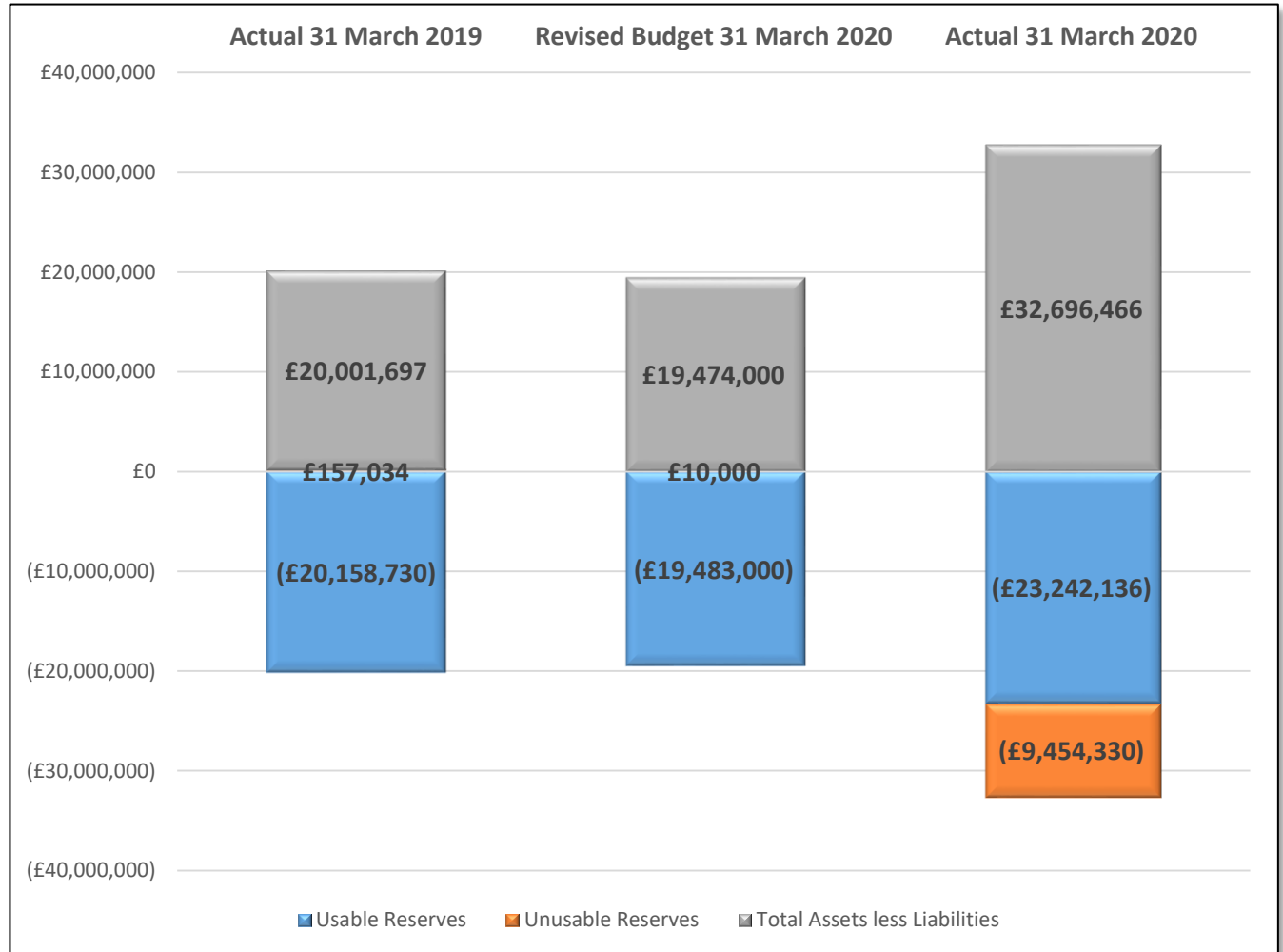
Minimum Revenue Provision in 2019/20

3.18 The Minimum Revenue Provision charged to revenue in 2018/19, budgeted in 2019/20 and the actual in 2019/20 is shown below:



The Balance Sheet

3.19 The actual Balance Sheet for 2018/19 together with the budgeted and actual Balance Sheet for 2019/20 are shown in detail at **APPENDIX B** and are summarised below:



3.20 The main reasons for the variance between the budgeted and actual Balance Sheet for 2019/20 are:

Total Assets Less Liabilities – higher than the budget by **£13,222,000 (68%)**

- The Actuary has reduced the Long Term Liability for Pensions by **£12,212,000**.
- There was an increase in investments of **£11,056,000** partly due to higher working capital and usable reserves.
- Non-current assets are lower by **(£13,743,000)** due primarily to no investment in property.
- Borrowing is **£7,875,000** lower than planned due to no investment in property.
- Working Capital (debtors less creditors) was **(£3,777,000)** higher than the budget.

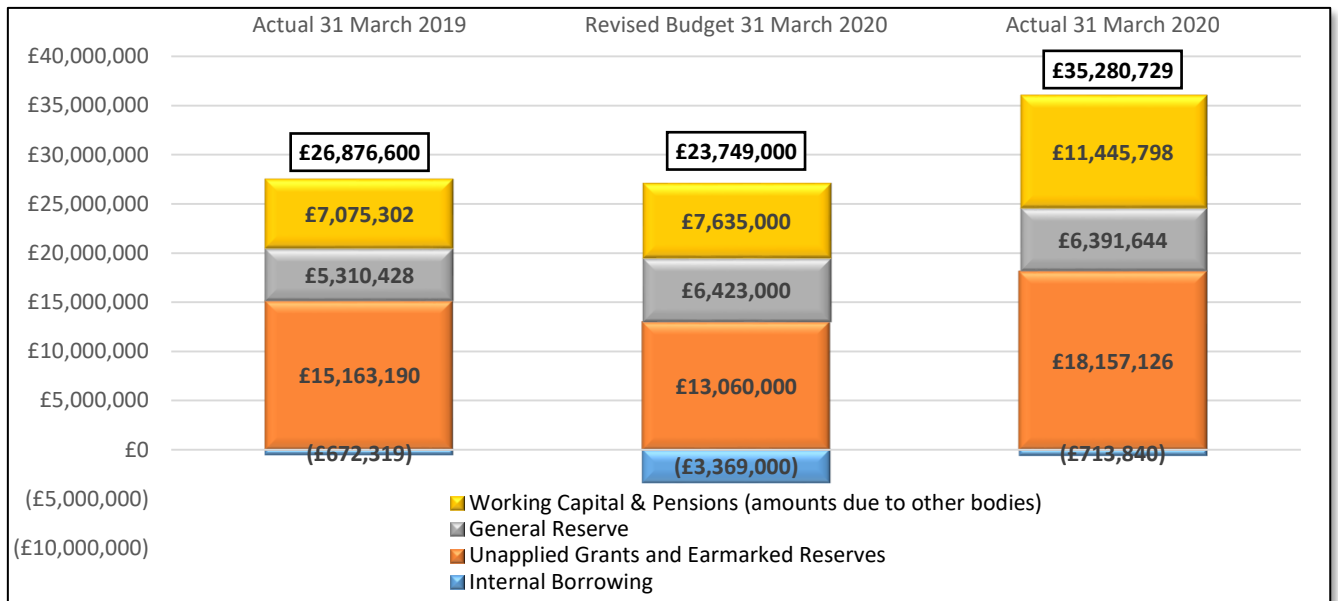
Usable Reserves – higher than budget by **(£3,759,000) (42%)**

- An increase in the level of earmarked reserves of **(£2,007,000)** due to lower capital spend funded from this source.
- A higher level of capital receipts and Burntwood Sinking Fund of **(£662,000)** due to higher Right to Buy sale and lower capital spend funded from these sources.
- A higher level of unapplied and capital grants of **(£1,121,000)** due mainly to new CIL receipts.

Unusable Reserves – higher than budget by **(£9,690,000) (5%)**

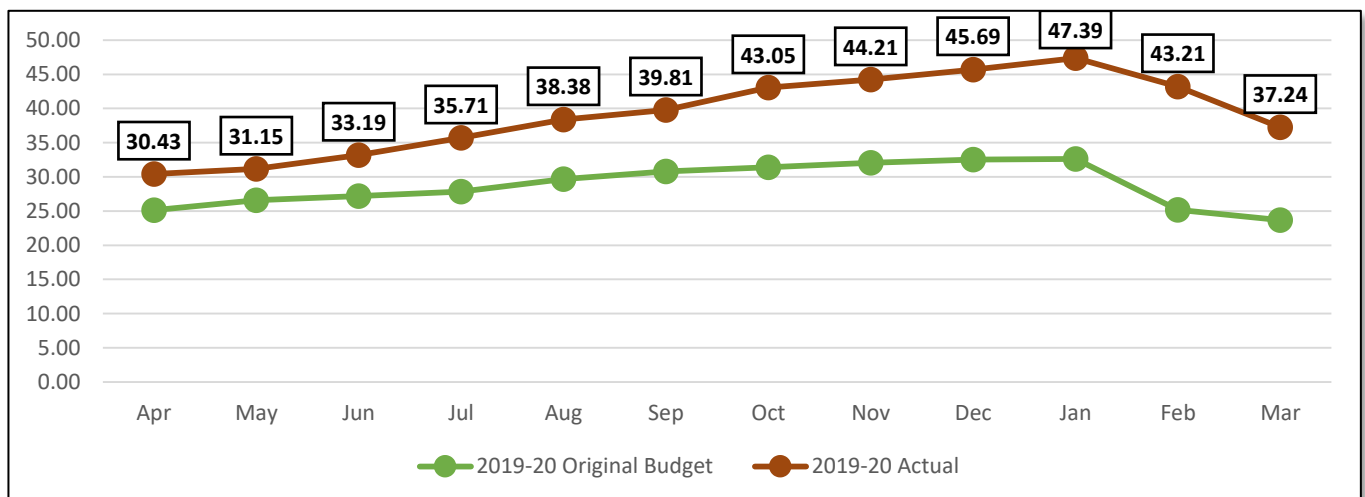
- There was a reduction in the Pension Reserve of **(£12,212,000)** to offset the reduction in the long term liability.

3.21 The level of investments and the sources of cash are shown in the chart below:



Cash Flow Forecasts

3.22 The graph below shows the average investment levels (in £m) throughout the 2019/20 financial year compared to the Revised and Original budgets:



3.23 The Treasury Management Performance for 2019/20 for both investment income and borrowing are shown below:

Treasury Management	2019/20			
	Revised Budget		Actual	
	Investment Income	Borrowing	Investment Income	Borrowing
Average Balance	£34.29m	£5.54m	£39.1m	£2.5m
Average Rate	1.19%	2.36%	1.09%	2.15%
Gross Investment Income	(£408,000)		(£434,784)	
CCLA Transfer to Reserves	£40,000		£47,387	
External Interest		£54,070		£54,483
Internal Interest		£4,000		£5,977
Minimum Revenue Provision (less Finance Leases)		£187,930		£186,477
Net Treasury Position	(£368,000)	£246,000	(£387,397)	£241,472
	(£122,000)		(£145,925)	

Investment Strategy

3.24 The Council undertakes investments for three broad purposes:

- It approves the support of public services by lending or buying shares in other organisations – **Service Investments.**
- To earn investment income – **Commercial Investments.**
- It has surplus cash, as a result of its day to day activities, when income is received in advance of expenditure or where it holds cash on behalf of another body ready for payment in the future – **Treasury Management Investments.**

3.25 The Government has recognised in recent Ministry of Housing, Community and Local Government (MHCLG) guidance, as a result of increased commercial activity, that the principles included in Statutory Guidance requiring that all investments should prioritise security and liquidity over yield must also be applied to service and commercial investments.

3.26 The MHCLG Guidance requires the approval by Council of an Investment Strategy Report to increase the transparency around service and commercial investment activity. The Council approved its Investment Strategy Report on **19 February 2019.**

Service Investments

3.27 There were three investments of a service nature budgeted to take place in 2019/20. The investment and net return included in the Approved Budget is detailed below:

	Budget	Actual	Variance
Equity in the Local Authority Company	£225,000	£0	(£225,000)
Net Income	£0	£0	£0
Net Return	0.00%	0.00%	
Investment in Burntwood Leisure Centre (extra funded by Freedom)	£1,395,000	£1,422,888	£27,888
VAT Benefit	(£19,000)	(£19,000)	£0
Net Income (after loan repayments)	(£38,000)	(£38,000)	£0
Net Return (excluding VAT Benefit)	2.72%	2.67%	
ICT Cloud	£25,000	£34,200	£9,200
Net Income	(£30,000)	£0	£30,000
Net Return	120.00%	0.00%	
Total Investment	£1,645,000	£1,457,088	(£187,912)
Total Net Income	(£68,000)	(£38,000)	£30,000
Net Return	4.13%	2.61%	

3.28 The investment in Burntwood Leisure Centre has taken place and is generating net income. The net return from the ICT Cloud project is unlikely to be achieved following agreement to a project change.

Commercial Investments

3.29 The only commercial investment currently planned relates to the Investment in Property and the investment and net return in the Approved Budget is detailed below:

	Budget	Actual	Variance
Investment in Property	£10,500,000	£0	(£10,500,000)
Net Income	£0	£0	£0
Net Return (previous year end)	0.00%	0.00%	0.00%

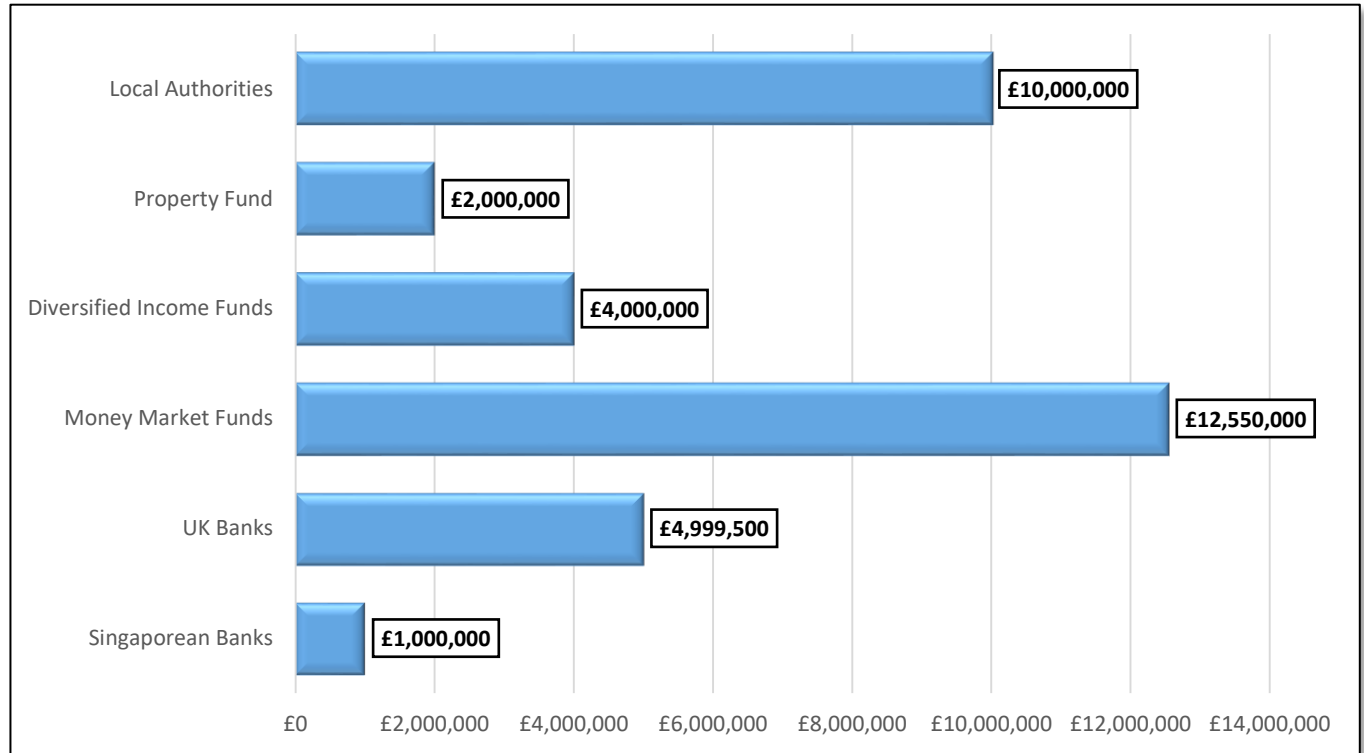
3.30 To date, no property investment has taken place and therefore the budgeted net income is not currently being generated.

3.31 The approach to the Investment in Property will need to be reviewed following updated Government/CIPFA Guidance and the Public Works Loans Board consultation.

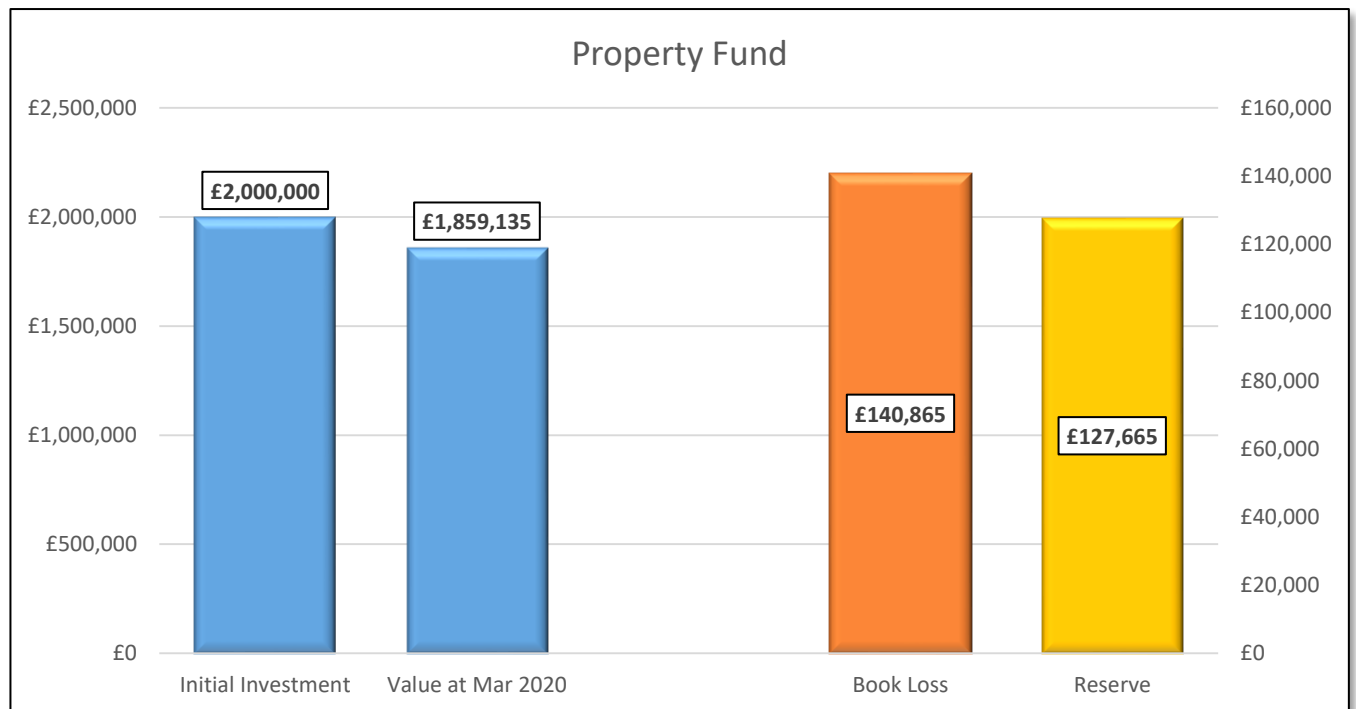
Treasury Management Investments

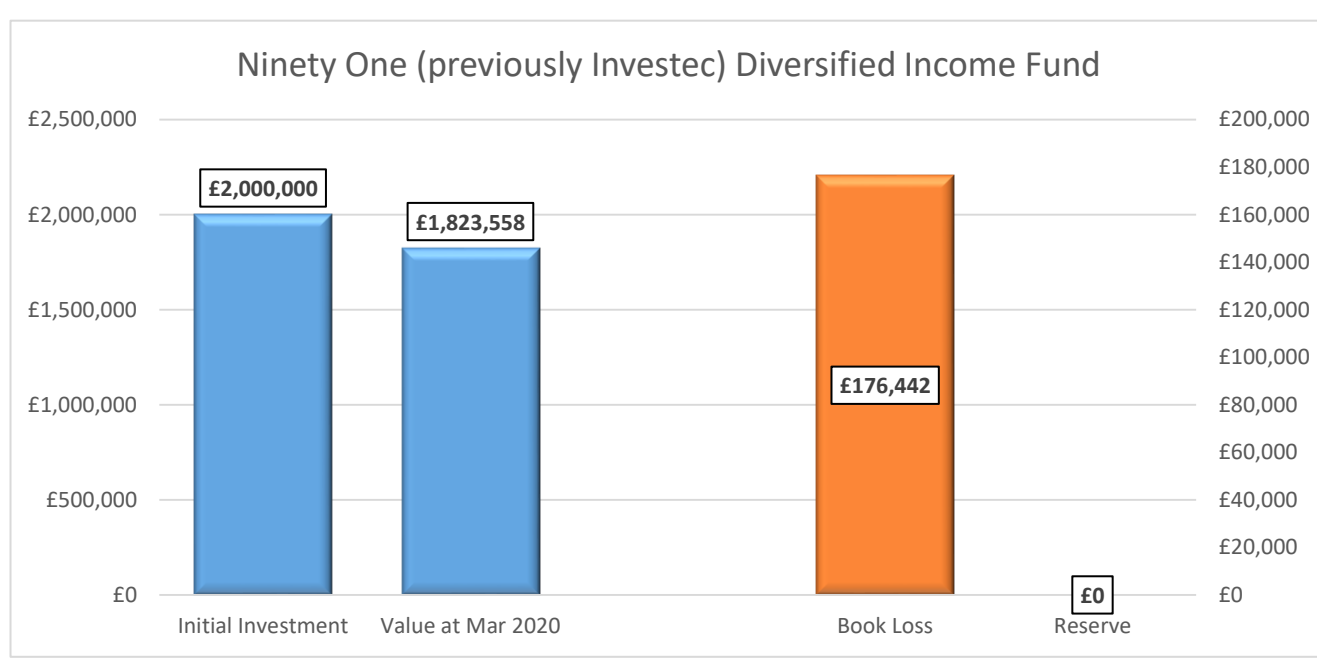
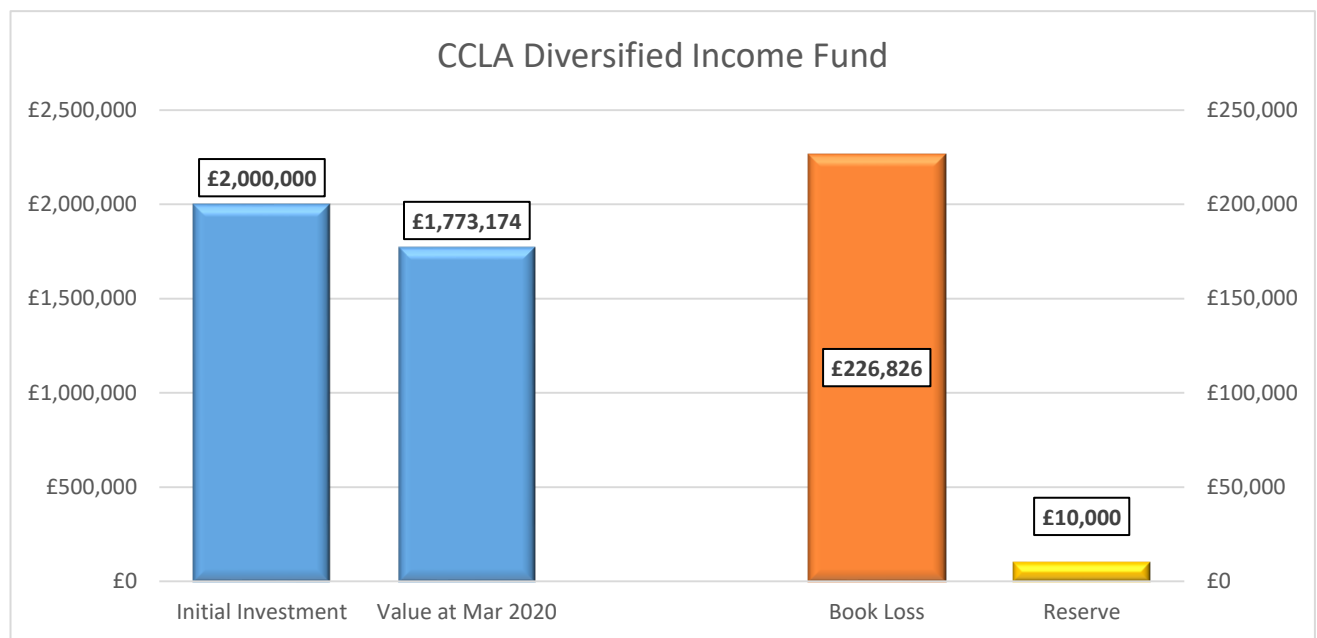
The Security of Our Investments

3.32 The investments the Council had at the 31 March 2020 of **£34.55m** (with the property fund and diversified income funds valued at original investment of **£2m**) by type and Country are summarised below and in detail at **APPENDIX C**



3.33 The current value of the Property Fund and Diversified Income Fund investments, together with the value of the earmarked reserve at the end of 2019/20 intended to offset reductions in value, is shown below:



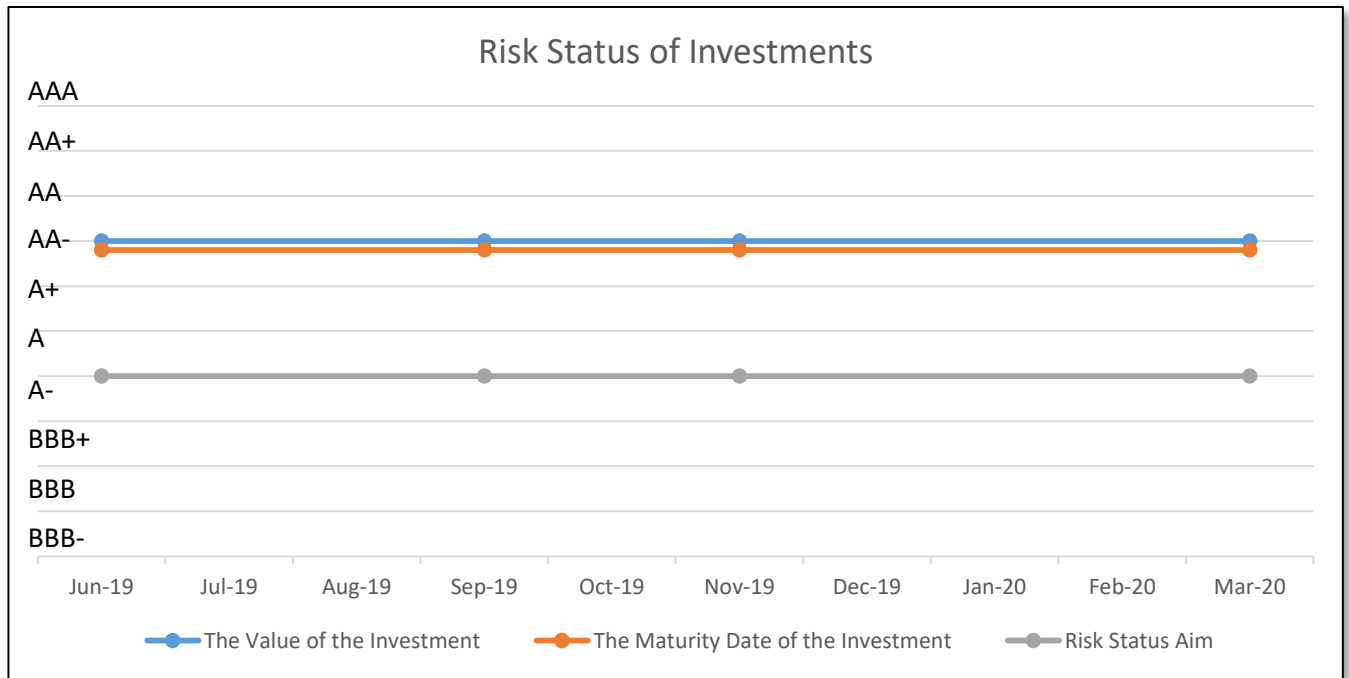


3.34 It is important to note that whilst all three of the Strategic Fund investments show 'book' losses at 31 March 2020 the valuations occurred at the height of the pandemic when asset prices were very volatile. In April and May, the valuations related to the two Diversified Income Fund investments have increased and therefore the 'book' losses have reduced although the financial markets currently remain volatile.

3.35 The Council's portfolio size (with the property fund and diversified investment funds valued at their current values of £5.4m), average credit score, diversification and exposure to 'Bail in' risk compared to Arlingclose Clients is shown below:

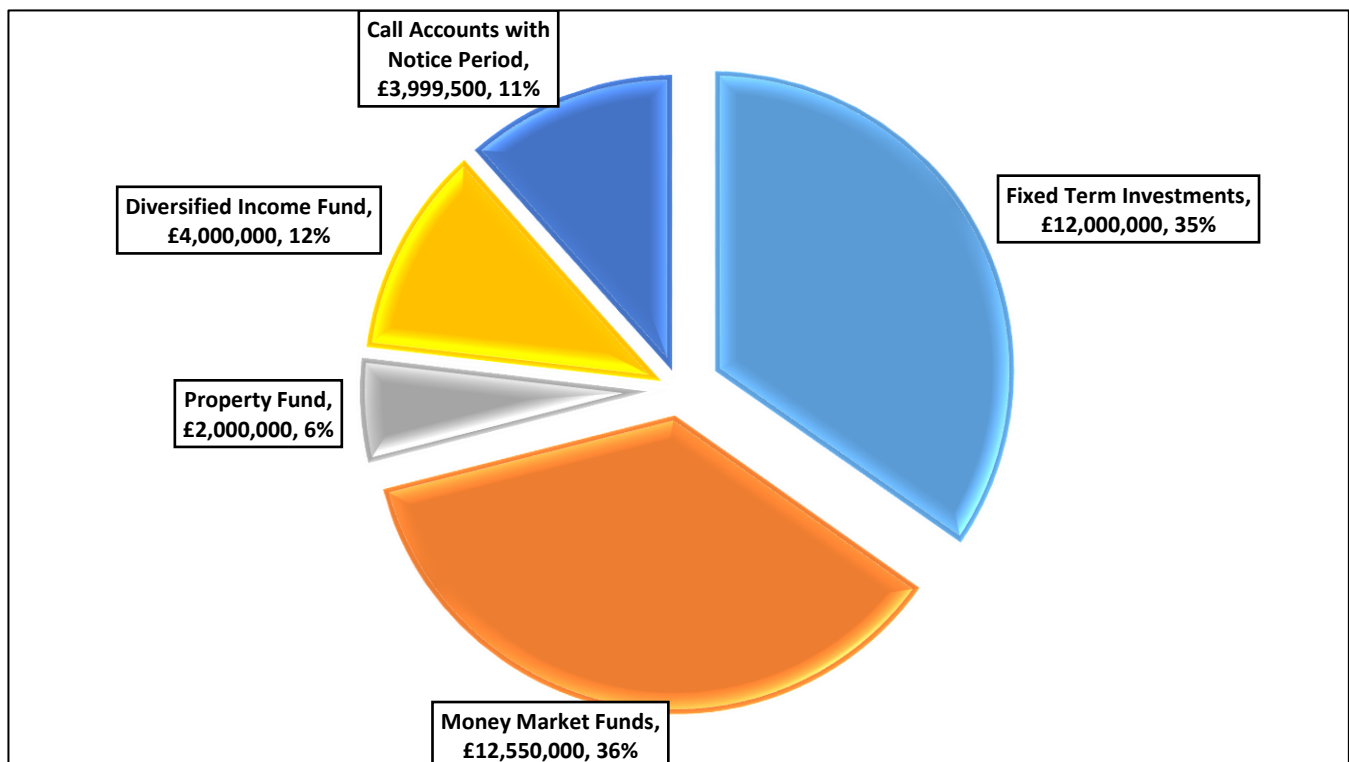


3.36 Our aim for the risk status of our investments was **A- or higher**. The risk status based on the length of the investment and the value for a 12 month period is summarised in the graph below:

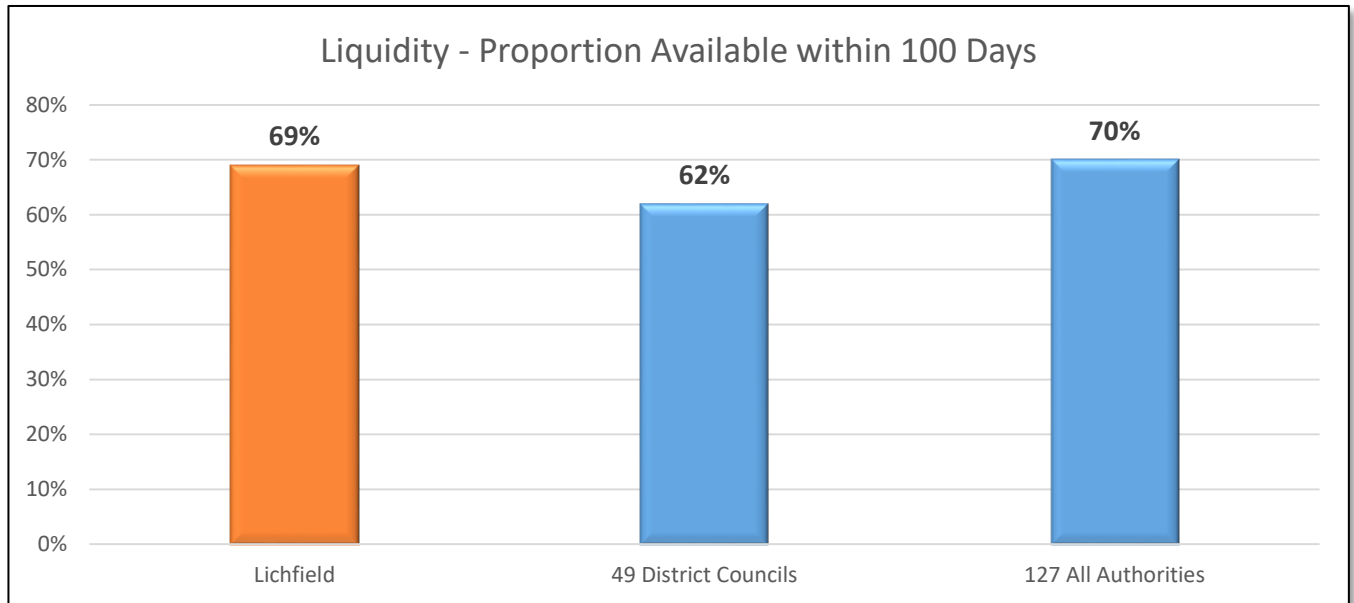


The Liquidity of our Investments

3.37 The Council has not had to temporarily borrow during 2019/20 and retains a proportion of its investments in instant access Money Market Fund investments to ensure there is sufficient cash available to pay for goods and services. The investments by type are shown below:

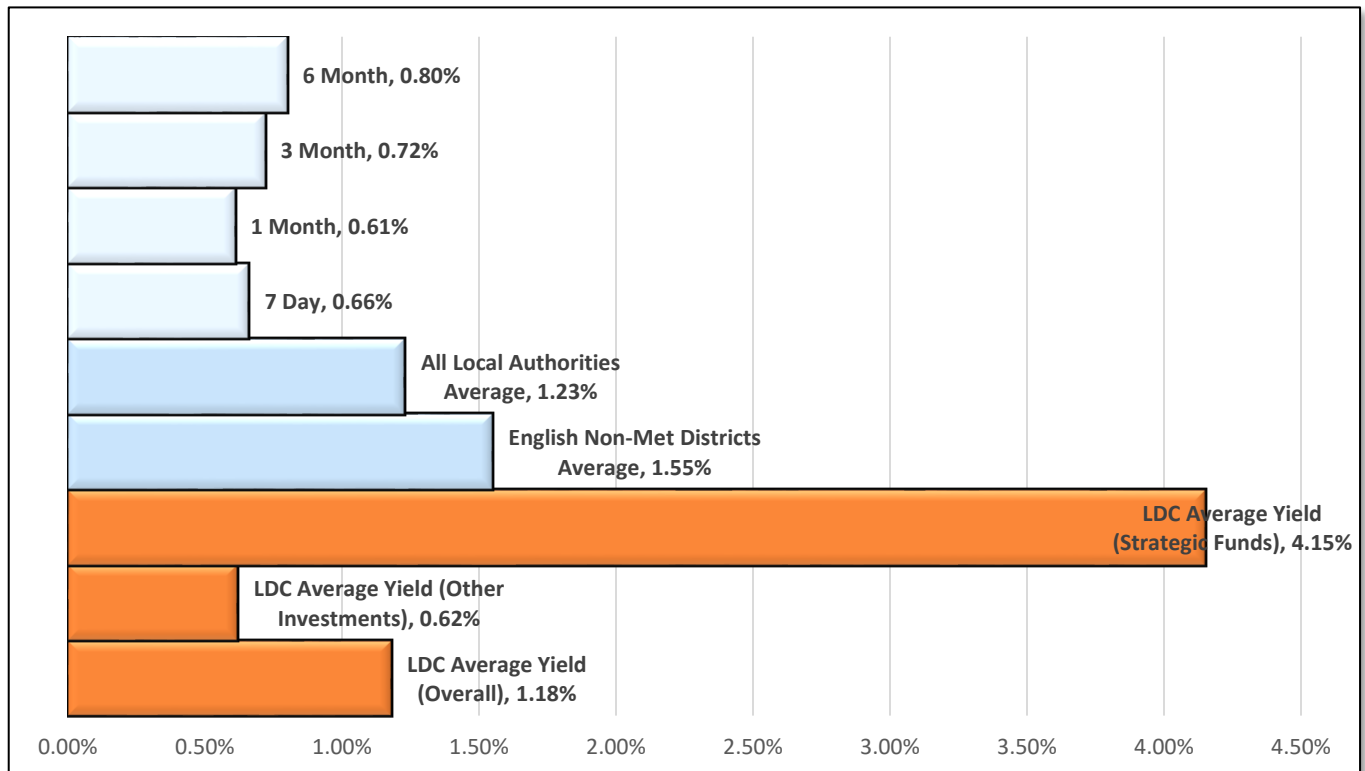


3.38 The proportion of the investment portfolio available within 100 days compared to all Arlingclose clients is below:



The Return or Yield of our Investments

3.39 The yield the Council was achieving as at 31 March 2020 compared to a number of industry standard benchmarks (including our preferred benchmark of the seven day LIBID rate) and all Arlingclose clients is shown below:



3.40 Investment activity generated (**£434,784**) of gross investment income.

External Borrowing

3.41 The Council currently has two external loans with the Public Works Loans Board with **£2,448,627** outstanding and these are shown in detail at **APPENDIX C**.

Alternative Options

There are no alternative options.

Consultation

Consultation is undertaken as part of the Strategic Plan and with Leadership Team.

Financial Implications**Prudential indicators (PI) 2019/20:**

- We can confirm that the Council has complied with its Prudential and Local Indicators for 2019/20; these were originally approved by Council at its meeting on 19 February 2019 and were fully revised and approved by Council on 18 February 2020.
- 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 2019/20.
- None of the other Prudential and Local Indicators have been breached. The Prudential and Local Indicators are summarised in the table below :

Capital Strategy Indicators**Prudential Indicators**

Indicators	2018/19 Actual	2019/20 Original	2019/20 Revised	2019/20 Actual	Compliant
Capital Investment					
Capital Expenditure (£m)	£4.910	£11.618	£15.659	£2.297	✓
Capital Financing Requirement (£m)	£4.987	£10.301	£14.809	£4.305	✓
Gross Debt and the Capital Financing Requirement					
Gross Debt	(£4.315)	(£9.598)	(£11.439)	(£3.041)	✓
Borrowing in Advance - Gross Debt in excess of the Capital Financing Requirement	No	No	No	No	✓
Total Debt					
Authorised Limit (£m)	£4.751	£21.598	£23.473	£4,315 ¹	✓
Operational Boundary (£m)	£4.751	£13.006	£14.881	£4,315	✓
Proportion of Financing Costs to Net Revenue Stream (%)	5%	6%	4%	4%	✓

Local Indicators

Indicators	2018/19 Actual	2019/20 Original	2019/20 Revised	2019/20 Actual	Compliant
Replacement of Debt Finance or MRP (£m)	(£0.710)	(£0.720)	(£0.746)	(£0.719)	✓
Capital Receipts (£m)	(£0.760)	(£1.056)	(£0.855)	(£1.005)	✓
Liability Benchmark (£m)	£14.209	£5.017	£3.938	£22.652	✓
Treasury Management Investments (£m)	£26.150	£23.689	£23.749	£34.550 ²	✓

Treasury Management Indicators**Prudential Indicators**

	Lower Limit	Upper Limit	2019/20 Actual	Compliant
Refinancing Rate Risk Indicator				
Under 12 months	0%	100%	7%	
12 months and within 24 months	0%	100%	7%	
24 months and within 5 years	0%	100%	25%	
5 years and within 10 years	0%	100%	33%	✓
10 years and within 20 years	0%	100%	25%	
20 years and within 30 years	0%	100%	1%	
30 years and within 40 years	0%	100%	0%	
40 years and within 50 years	0%	100%	0%	
50 years and above	0%	100%	0%	

Indicators	2018/19 Actual	2019/20 Original	2019/20 Revised	2019/20 Actual	Compliant
Principal Sums invested for periods longer than a year (£m)	£2.000	£6.000	£6.000	£6.000	✓

¹ This is the highest level of debt outstanding during the financial year and is compared to the Authorised Limit and Operational Boundary to assess compliance.

² This figure is purely investments at year end unlike the figure at 3.21 which includes accounting adjustments.

Local Indicators					
Indicators	2018/19 Actual	2019/20 Original	2019/20 Revised	2019/20 Actual	Compliant
	£m	£m	£m	£m	
Balance Sheet Summary and Forecast					
Borrowing Capital Financing Requirement	£3.312	£9.152	£13.694	£3.162	✓
Internal or (over) Borrowing	£0.672	£0.703	£3.370	£0.714	✓
(Investments) or New Borrowing	(£26.150)	(£23.689)	(£23.749)	(£34.550)	✓
Liability Benchmark	(£14.209)	(£5.017)	(£3.938)	(£22.652)	✓
	Target	2019/20 Actual	Compliant		
Security					
Portfolio average credit rating	A-	AA-	✓		
Liquidity					
Temporary Borrowing undertaken	£0.000	£0.000	✓		
Total Cash Available within 100 days (maximum)	90%	68%	✓		

Please note – the figures in blue differ from those approved by Cabinet on 2 June 2020 following the receipt of updated financial information and guidance. These updated figures were approved by Council on 14 July 2020.

Contribution to the Delivery of the Strategic Plan	The MTFs underpins the delivery of the Strategic Plan.
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Equality, Diversity and Human Rights Implications	There are no additional Equality, Diversity or Human Rights implications.
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Crime & Safety Issues	There are no additional Crime and Safety Issues.
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Environmental Impact	There are no additional Environmental Impacts.
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GDPR/Privacy Impact Assessment	There are no additional GDPR/Privacy Impact Assessment Impacts.
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	Risk Description	How We Manage It	Severity of Risk
A	Planned Capital Receipts are not received.	The budget for capital receipts will be monitored as part of the Council's normal budget monitoring procedures.	Green - Tolerable
B	Achievement of The Council's key Council priorities.	Close monitoring of performance and expenditure; maximising the potential of efficiency gains; early identification of any unexpected impact on costs including Central Government Policy changes, movement in the markets, and changes in the economic climate.	Green - Tolerable
C	The affordability and risk associated with the Capital Strategy.	Recruit an estates management team to provide professional expertise and advice in relation to the Property Investment Strategy and to continue to take a prudent approach to budgeting.	Yellow - Material

Background Documents	<ul style="list-style-type: none"> • CIPFA Code of Practice for Treasury Management in the Public Services • The Prudential Code for Capital Finance in Local Authorities • The Treasury Management Strategy Statement (TMSS) 2019/20 – Audit and Member Standards Committee 6 February 2019. • Mid-Year Treasury Management Report – Audit and Member Standards Committee 14 November 2019. • The Treasury Management Strategy Statement (TMSS) 2020/21 – Audit and Member Standards Committee 5 February 2020.
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Relevant web link	
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Capital Programme Performance in 2019/20

Project	Original Budget	Revised Budget	Actual	Variance
Accessible Homes (Disabled Facilities Grants)	1,104,000	1,200,000	790,795	(409,205)
Armitage War Memorial	40,000	0	0	0
Armitage with Handsacre Village Hall heating upgrade	0	5,000	4,822	(178)
Artificial grass at Armitage	0	13,000	10,000	(3,000)
Burntwood LC CHP Unit	0	235,000	12,049	(222,951)
Burntwood Leisure Centre Enhancement Work	235,000	0	0	0
DCLG Monies	212,000	0	0	0
Decent Homes Standard	197,000	0	0	0
Energy Insulation Programme	10,000	38,000	0	(38,000)
Fradley Village Heating & CCTV	0	5,000	4,521	(479)
Fradley Youth & Community Centre Cladding & Porch	0	15,000	13,875	(1,125)
Friary Grange - Short Term Refurbishment	0	174,000	55,092	(118,908)
Home Repair Assistance Grants	15,000	28,000	6,768	(21,232)
King Edwards VI School	0	101,000	0	(101,000)
Leisure Review: Capital Investment	0	30,000	57,888	27,888
New Build Parish Office/Community Hub	92,000	0	0	0
Play Equipment at Hill Ridware Village Hall	71,000	30,000	30,000	0
Replacement Leisure Centre	0	38,000	7,000	(31,000)
St. Stephen's School, Fradley	0	22,000	0	(22,000)
Unallocated S106 Affordable Housing Monies	400,000	270,000	0	(270,000)
Westgate Practice Refurbishment	0	120,000	120,000	0
Enabling People Total	2,376,000	2,324,000	1,112,810	(1,211,190)
Bin Purchase	0	150,000	210,589	60,589
Canal Towpath Improvements (Brereton & Ravenhill)	211,000	211,000	174,624	(36,376)
Cannock Chase SAC	13,000	44,000	43,759	(241)
Darnford Park	13,000	0	0	0
Env. Improvements - Upper St John St & Birmingham Road	7,000	7,000	0	(7,000)
Equity in Council Dev Co.	0	225,000	0	(225,000)
Loan to Council Dev Co.	900,000	0	0	0
Shortbutts Park, Lichfield	23,000	23,000	28,100	5,100
Stowe Pool Improvements	550,000	0	0	0
The Leomansley Area Improvement Project	0	3,000	0	(3,000)
Vehicle Replacement Programme	441,000	146,000	148,141	2,141
Shaping Place Total	2,158,000	809,000	605,213	(203,787)
Birmingham Road Site - Coach Park	238,000	861,000	11,359	(849,641)
Birmingham Road Site - Short Term Redevelopment	353,000	473,000	251,429	(221,571)
Car Parks Variable Message Signing	32,000	32,000	0	(32,000)
Erasmus Darwin Lunar Legacy	0	3,000	3,000	0
Multi Storey Car Park Refurbishment Project	0	300,000	0	(300,000)
Old Mining College - Refurbish access and signs	0	13,000	0	(13,000)
St. Chads Sculpture	50,000	50,000	45,000	(5,000)
Developing Prosperity Total	673,000	1,732,000	310,788	(1,421,212)
Depot Sinking Fund	11,000	0	0	0
District Council House Repair Programme	103,000	0	0	0
IT Cloud	25,000	25,000	34,200	9,200
IT Hardware	0	0	198,458	198,458
IT Infrastructure	105,000	105,000	5,880	(99,120)
IT Innovation	167,000	60,000	29,300	(30,700)
Property Investment Strategy	6,000,000	10,500,000	0	(10,500,000)
Property Planned Maintenance	0	104,000	0	(104,000)
Good Council Total	6,411,000	10,794,000	267,838	(10,526,162)
Approved Budget	11,618,000	15,659,000	2,296,649	(13,362,351)

Funding Source	Original Budget	Revised Budget	Actual	Variance
Capital Receipts	976,000	600,000	335,838	(264,162)
Borrowing Need - Borrowing and Finance Leases	6,140,000	10,568,000	36,958	(10,531,042)
Capital Grants and Contributions	2,769,000	2,160,000	1,257,831	(902,169)
Reserves, Existing Revenue Budgets and Sinking Funds	1,733,000	2,331,000	666,021	(1,664,979)
Capital Programme Total	11,618,000	15,659,000	2,296,649	(13,362,351)

The Council's Balance Sheet

	Type	2018/19 Actual £000s	2019/20 Actual £000s	2019/20 Revised Budget £000s	Variance To Revised Budget £000s
Non-Current Assets	ASSET	48,376	46,000	59,743	(13,743)
Equity Investment in Local Authority Company	ASSET	0	0	225	(225)
Long Term Debtors	DEBT	288	141	288	(147)
Investments	INV	26,808	34,737	23,681	11,056
Borrowing	BOLE	(2,640)	(2,449)	(10,324)	7,875
Finance Leases	BOLE	(1,675)	(1,143)	(1,115)	(28)
Working Capital	CRED	(8,409)	(11,872)	(8,095)	(3,777)
Pensions	CRED	(42,747)	(32,718)	(44,930)	12,212
TOTAL ASSETS LESS LIABILITIES		20,001³	32,696	19,474	13,222

<u>Unusable Reserves</u>					
Revaluation Reserve	REV	(9,419)	(9,425)	(9,419)	(6)
Capital Adjustment Account	CAP	(33,970)	(32,269)	(35,741)	3,472
Deferred Credits	CRED	(47)	(47)	(47)	0
Pension Scheme	CRED	43,621	32,718	44,930	(12,212)
Benefits Payable During Employment Adjustment Account	CRED	219	332	219	(113)
Collection Fund	CRED	(315)	(1,307)	0	(1,307)
Pooled Fund Adjustment Account	CRED	68	544	68	476
<u>Usable Reserves</u>					
Unapplied Grants and Contributions	UGER	(2,194)	(2,938)	(1,817)	(1,121)
Usable Capital Receipts	UGER	(2,029)	(2,698)	(2,259)	(439)
Burntwood Leisure Centre Sinking Fund	UGER	(236)	(223)	0	(223)
Earmarked Reserves - Unrestricted	UGER	(6,591)	(6,794)	(5,321)	(1,473)
Earmarked Reserves - Restricted	UGER	(3,798)	(4,197)	(3,663)	(534)
General Fund Balance	GEN	(5,310)	(6,392)	(6,423)	31
TOTAL EQUITY		(20,001)	(32,696)	(19,474)	(13,222)

Reserves Available to cover Investment Losses		(11,901)	(13,185)	(11,744)	(1,441)
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<u>Summary</u>					
Capital Funding	CAP	(33,970)	(32,269)	(35,741)	3,472
Revaluation Reserve	REV	(9,419)	(9,425)	(9,419)	(6)
Borrowing and Leasing	BOLE	(4,315)	(3,591)	(11,439)	7,848
Non-Current Assets	ASSET	48,376	46,000	59,968	(13,968)
Investments	INV	26,876	34,737	23,749	10,988
Unapplied Grants & Earmarked Reserves	UGER	(14,848)	(16,850)	(13,060)	(3,790)
General Reserve	GEN	(5,310)	(6,392)	(6,423)	31
Long Term Debtors	DEBT	288	141	288	(147)
Working Capital & Pensions	CRED	(7,678)	(12,350)	(7,923)	(4,427)
Total		0	0	0	0
Internal Borrowing		672	715	3,369	(2,654)

<u>Liability Benchmark</u>					
Capital Financing Requirement (Borrowing)		3,312	3,163	13,468	(10,305)
Working Capital		(7,322)	(12,572)	(7,923)	(4,649)
Usable Reserves		(20,158)	(23,242)	(19,483)	(3,759)
Minimum Level of Investments		10,000	10,000	10,000	0
Total		(14,168)	(22,652)	(3,938)	(18,714)

³ The Mid Year Treasury Management Report to Committee on 14 November 2019 showed Total Assets less Liabilities and Total Equity of £21.350m which was the figure prior to Statement of Accounts External Audit adjustments related to Pension valuations of £1.349m

Investments in the 2019/20 Financial Year

The table below shows a breakdown of our investments at the end of March 2020:

Counterparty	Principal	Matures	Days to Maturity	Rate	Credit Rating	Non-UK Organisation
Money Market Funds						
Invesco Aim	£3,010,000	01-Apr-20	Instant Access	0.56%	0	N/A
Legal & General	£2,390,000	01-Apr-20	Instant Access	0.54%	0	N/A
Federated	£3,500,000	01-Apr-20	Instant Access	0.38%	0	N/A
Aberdeen	£650,000	01-Apr-20	Instant Access	0.75%	0	N/A
CCLA MMF	£3,000,000	01-Apr-20	Instant Access	0.59%	0	N/A
Strategic Funds						
CCLA Property Fund	£2,000,000	N/A	N/A	3.91%	N/A	No
CCLA Diversified Income Fund	£2,000,000	N/A	N/A	3.02%	N/A	No
Investec Diversified Income Fund	£2,000,000	N/A	N/A	3.40%	N/A	No
Fixed Term Investments						
Brentwood Borough Council	£2,000,000	29-Jul-20	120	0.93%	LOCAL	
Ashford Borough Council	£2,000,000	07-Jul-20	98	0.76%	LOCAL	
Broxtowe Borough Council	£2,000,000	11-May-20	41	0.72%	LOCAL	
Surrey Heath Borough Council	£2,000,000	15-Jun-20	76	0.83%	LOCAL	
United Overseas Bank	£1,000,000	18-Jun-20	79	0.83%	AA-	
Monmouthshire Council	£2,000,000	28-Sep-20	181	0.91%	LOCAL	
Call Accounts with Notice Period						
Santander	£1,000,000	27-Sep-20	180	0.95%	A	
Lloyds	£1,000,000	04-Jul-20	95	0.70%	A+	
Goldman Sachs International Bank	£1,000,000	04-Jul-20	95	0.89%	A	
HSBC	£999,500	01-May-20	31	0.33%	A+	
Certificates of Deposit						
Standard Chartered	£1,000,000	09-Apr-20	9	0.85%	A	
Total Investments	£34,549,500					
Other Accounting Entries	£731,229					
Total Investments (Balance Sheet)	£35,280,729					

External Borrowing

Source	Loan Amount	Maturity Date	Interest Rate	Outstanding Balance as at 31 March 2020
Public Works Loan Board	£1,522,000	08-Apr-40	2.59%	£1,248,040
Public Works Loan Board	£1,395,000	31-May-28	1.71%	£1,200,587

The maturity profile of these investments at 31 March 2020 compared to our Treasury Management advisor Arlingclose interest rate forecasts is shown in the graph below:

