This matter is not a Key Decision within the Council's definition and has not been included within the relevant Forward Plan

Cabinet: **Report of the Director, Finance, Assets and Information Technology**

ANNUAL REPORT ON TREASURY MANAGEMENT AND LEASING ACTIVITIES AND ACTUAL PRUDENTIAL INDICATORS 2015/16

1. Purpose of Report

1.1 The purpose of this report is to review the treasury management and leasing activities of the Council and actual performance against Prudential Indicators for 2015/16. The Council's treasury management activity is underpinned by the CIPFA Code of Practice on Treasury Management and this report is prepared in accordance with the Code.

1.2 This report will cover the following:

- agreed strategy for 2015/16;
- economic review;
- review of the borrowing activity for the GF & HRA (including a review of leasing activity);
- GF investment activity for the year;
- compliance with Prudential Indicators for 2015/16.

2. Recommendations

2.1 It is recommended that;

- **Members note the treasury management and leasing activities undertaken for the period.**
- **Approve the actual 2015/16 Prudential Indicators within the report.**

3. The Strategy Approved for 2015/16

3.1 The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities.

3.2 The HRA takes a longer-term view of debt management and therefore the key aim of the borrowing strategy is to continue to manage the affordability of debt repayments within the 30 year business plan.

3.3 The expectation for interest rates within the treasury management strategy for 2015/16 anticipated a low but rising Bank Rate. Short-term rates were expected to be the cheaper form of borrowing over the 2015/16 period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

3.4 In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

4. Economic Review for the Year Ending 31 March 2016

4.1 The UK Bank Rate remained unchanged at 0.5% for the seventh successive year. Economic growth (GDP) in 2015/16 has been disappointing with growth falling steadily from an annual rate of 2.9% in quarter 1 2015 to 2.1% in quarter 4.

4.2 The American economy on the other hand has continued to grow healthily on the back of resilient consumer demand. The first increase in the central rate occurred in December 2015 when rates rose from 0.25% to 0.5%. Since then however, there has been a return to caution as to the speed of further increases due to concerns around the risks to world growth.

4.3 On the international scene, concerns have increased about the slowing of the Chinese economy and also its potential vulnerability to both the bursting of the property bubble and major exposure of its banking system to bad debts. The Japanese economy has also suffered disappointing growth in this financial year despite a huge programme of quantitative easing, while two of the major emerging market economies, Russia and Brazil, are in recession. The situations in Ukraine, and in the Middle East with ISIS, have also contributed to volatility.

4.4 The UK elected a majority Conservative Government in May 2015, removing one potential concern but introducing another due to the promise of a referendum on the UK remaining part of the EU. The government maintained its tight fiscal policy stance but the more recent downturn in expectations for economic growth has made it more difficult to return the public sector net borrowing to a balanced annual position within the period of this parliament.

5. The Council's Overall Borrowing Need

5.1 The Council's underlying need to borrow for capital expenditure is the Capital Financing Requirement (CFR) which is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. This year's CFR is shown in the

Prudential Indicators in Appendix 1, and represents the 2015/16 unfinanced capital expenditure and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

5.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. The treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This is sourced through external bodies such as the PWLB or the money markets, or by utilising temporary cash resources within the Council.

5.3 The General Fund's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the General Fund's borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

5.4 The Council's 2015/16 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Statement for 2015/16 in February 2015.

Borrowing Strategy 2015/16

5.5 The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

5.6 The benefits of internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise.

5.7 Temporary and short-dated loans borrowed from the markets, predominantly from other Local Authorities, has remained affordable and attractive throughout the year. The Authority had a total of £31M in temporary loans as at 31st March 2016 with an average rate of 0.69%.

5.8 No rescheduling activity was undertaken during 2015/16 as the average 1% differential between PWLB new borrowing rates and premature repayments rates made rescheduling unviable.

5.9 The Authority holds £63M of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates and only then does the Authority have the option to either accept the new rate or to repay the loan at no additional cost. None of the LOBO options were exercised by the lender during the year. Low interest rates mean the Council's £63M of LOBOs loans (GF share of £27M) are unlikely to be called in 2016/17. The interest rate of 4.75% is above current PWLB levels and therefore the refinancing risk in respect of these loans is low when taking into account prevailing market conditions. The Council will take the option to repay the LOBO loans at no cost should the opportunity arise to do so.

5.10 The decrease in the Council's General Fund (GF) borrowing position for the year is £24M. The table below summarises the loan transactions undertaken during the period.

General Fund

	Balance at 1/4/15 £M	New Borrowing £M	Matured / Redeemed £M	Balance at 31/3/16 £M	Increase / (Decrease) £M
PWLB Fixed	152	-	3	149	(3)
PWLB Variable	35	-	-	35	-
Market Loans	27	-	-	27	-
Long-term Local Authority	-	2	-	2	2
Temporary Borrowing	54	115	138	31	(23)
Total	**268**	**117**	**141**	**244**	**(24)**

5.11 No long-term fixed rate borrowing was undertaken during 2015/16. PWLB debt of £3M was redeemed during the year. This comprised of part repayments on PWLB annuity and equal instalment of principal loans.

5.12 The GF continues to hold £35M of PWLB variable rate debt at an average rate of 0.71%. There is a clear interest rate risk associated with holding variable debt when interest rates will increase. However, interest rates remain low and this variable rate debt continues to offer a cost-effective funding option.

5.13 All external borrowing in the year was undertaken at the lowest possible cost at the time individual agreements were made, commensurate with the Council's position regarding future risk. Only approved methods of raising capital finance were used during the year.

5.14 The decrease in the Housing Revenue Account (HRA) external borrowing position for the year is £2M. The table below summarises the loan transactions undertaken during the period.

Housing Revenue Account

	Balance at 1/4/15 £M	New Borrowing £M	Matured / Redeemed £M	Balance at 31/3/16 £M	Increase / (Decrease) £M
PWLB Fixed	196	-	2	194	(2)
PWLB Variable	46	-	-	46	-
Market Loans	36	-	-	36	-
Total	**278**	**0**	**2**	**276**	**(2)**

5.15 As in the case of the General Fund, no long-term fixed rate borrowing was undertaken during 2015/16 by the HRA. PWLB debt of £2M was redeemed during the year. This comprised of part repayments on PWLB annuity and equal instalments of principal loans.

5.16 The HRA pool continues to hold £46M of PWLB variable rate debt at an average rate of 0.71%. There is a clear interest rate risk associated with holding variable debt when interest rates will increase. However, interest rates remain low and this variable rate debt continues to offer a cost-effective funding option.

5.17 The HRA has £36M of LOBO loans all of which were eligible for call in 2015/16. The lenders did not exercise any call options (as discussed at 5.9) and given the relatively low interest rate environment are unlikely to do so in 2016/17, limiting the HRA's refinancing risk.

5.18 In terms of the debt position for 2015/16, the table at 5.14 shows there is relatively little volatility within the HRA portfolio.

6. <u>Review of Leasing Activity</u>

6.1 In 2015/16 vehicles with a total value of £0.531M were acquired by the Council. A tender exercise was completed to identify the best value method of funding these assets. As a consequence £0.504M was funded by prudential borrowing and £0.027M by leasing. This proved the cheapest method for each category, but also met the operational requirements of the user service.

7. Review of Investment Activity 2015/16

Investment Policy

7.1 The Council's Annual Investment Strategy (AIS) is prepared in accordance with CLG's revised Investment Guidance and was approved by Council on 11th February 2015.

7.2 The effective management of counterparty risk and safeguarding the security of the Council's investments was the immediate priority in 2015/16. The Guidance on Local Government Investments in England gives priority to security and liquidity and the Authority's aim is to achieve a yield commensurate with these principles.

7.3 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Investment Activity

7.4 In accordance with the AIS, Treasury staff continued to invest temporary cash surpluses in the money market during the year. The total value of in-house investments held at the year-end was £26M.

7.5 The net decrease in the Council's investment position for the year is £17M as the Council continues to operate a level of reduced investments through the strategy of internal borrowing. This has the benefit of reducing treasury risk by minimising external debt and the level of temporary investments, and thereby credit risk.

The table below summarises the investment transactions undertaken during the period.

	Balance at 1/4/15 £M	Raised £M	Repaid £M	Balance at 31/3/16 £M	Increase / (Decrease) £M
Long-term Investments	5	4	0	9	4
Short–term Investments	25	10	29	6	(19)
Money Market Funds/Instant Access	13	335	337	11	(2)
Total	**43**	**349**	**366**	**26**	**(17)**

7.6 The above figures demonstrate the large volume of transactions through Money Market Funds and instant access accounts during the year. There has been an additional £4M deposited with AAA rated Cash Plus funds - Payden & Rygel and Royal London Asset Management, £2M per fund. Cash Plus Funds offer a secure, low risk alternative to a fixed term bank deposit, with higher yielding returns. All other investments have been made for shorter periods which reflects the Authority's continuing conservative approach to the investment of funds and not locking out funds for long periods during uncertain economic times.

Security / Credit Risk

7.7 The effective management of credit risk and safeguarding the security of the Council's investments was a key Treasury Management priority in 2015/16.

7.8 The AIS aims to reduce credit risk by requiring that deposits are not made with financial institutions unless they meet specified criteria. The minimum long-term counterparty credit rating determined by the Authority for the 2015/16 AIS was A- across rating agencies Fitch, S&P and Moody's.

7.9 Whilst credit ratings remain a key source of information, the Council bases investment decisions on a range of other credit indicators and takes account of the following market information:

- GDP; Net Debt as a Percentage of GDP
- Sovereign Support Mechanisms / potential support from parent institution
- Share Price
- Credit Default Swaps

7.10 Investments in 2015/16 were limited to the following institutions:

- Bank of Scotland
- Barclays Bank
- Birmingham City Council
- Cumberland Building Society
- Leeds Building Society
- Lloyds TSB
- National Counties Building Society
- Standard Chartered
- Svenska Handelsbanken
- Vernon Building Society
- AAA-rated Money Market Funds

7.11 Maximum investment limits for UK counterparties remained at £15M in 2015/16. A limit of £10M remains for money market funds and non-UK banks. The Council also has a total group investment limit of £15M for institutions that are part of the same banking group and a limit of £15M per country (non-UK).

7.12 All investments were made in accordance with the Council's 2015-16 AIS and no investments are considered to pose an immediate credit risk. A list of the Council's current investments as at 31st March 2016 can be found at Appendix 2.

Liquidity

7.13 The Council continued to use instant access accounts and Money Market Funds to manage liquidity requirements.

7.14 The Barclays flexible interest bearing current account (FIBCA) continues to be used to move funds between the Authority's accounts, significantly improving the day to day management of cash.

7.15 The Council did not experience any liquidity problems during the year and continue to operate without the use, and cost, of an overdraft facility.

Yield

7.16 The UK Bank Rate remained at its historic low of 0.5% throughout the year - it has now remained unchanged for seven years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2016 but then moved back to around quarter 2 2018 by the end of the year. Deposit rates remained repressed during the whole of the year, primarily due to the effects of the Funding for Lending Scheme and due to the continuing weak expectations as to when the Bank Rate would start to rise.

7.17 Credit risk remains a key concern for the Council and one approach was to keep deposits liquid, illustrated by the fact that a significant number of transactions were processed through money market funds (table 7.5). This approach further impacted on yields.

7.18 The 7 day LIBID rate is used as a performance indicator for measuring the return on in-house investments. The average 7 day LIBID for 2015/16 was 0.36%. The average rate of return on investments for the year was 0.65% which exceeded the annual performance indicator.

8. Performance Measurement, Compliance with Prudential Indicators (PIs) and Governance Arrangements

Performance Measurement

8.1 The Authority measures and manages its exposures to treasury management risks using the following indicators:

Security: The Authority has adopted a voluntary measure of our exposure to credit risk by monitoring the benchmarking data received from Capita which compares the performance of its 229 clients.

	Capita Average	**BMBC Actual**
Weighted Average Return	0.70%	0.65%
Weighted Average Maturity	88 days	28 days
Weighted Average Credit Risk	3.80	3.97

8.2 The above figures show that the BMBC performance is slightly below the benchmark, but this is reflective of the internal borrowing position, and thus the requirement to keep cash/investments shorter dated. This explains the weighted average maturity being 60 days less than the benchmark, where other authorities have invested higher proportions of their portfolio for periods of up to one year.

8.3 The BMBC weighted average credit score is marginally above the benchmark. The Capita methodology works on a score of 1 to 7. 1 is AAA-rated institutions, therefore higher security, but this will ultimately lead to a lower return. The higher the score, the higher the perceived credit risk.

8.4 A score of 3.97 is therefore a mid-score within the range and similar to the benchmark. This reflects a balanced portfolio with good security, high liquidity and a reasonable return of 0.65%.

8.5 Further analysis of the Authority's investment portfolio as at 31st March 2016 is shown at Appendix 2.

8.6 Liquidity: The Authority has adopted a voluntary measure of our exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	Target	**Actual**
Total cash available within 3 months	£15M	£21M

8.7 The Council remains well within the liquidity target, having £21M of funds available within the three months following 31st March 2016.

8.8 Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2015/16	2016/17	2017/18
Upper limit on fixed interest rate exposure	90%	90%	90%
Actual	90%		
Upper limit on variable interest rate exposure	25%	25%	25%
Actual	10%		

8.9 The Council is required to report on the above as part of the Prudential Indicators, and compliance with this target can also be found in Appendix 1, point 8a.

8.10 The current debt portfolio, through internal and short-term borrowing, leaves the Council with a significant degree of interest rate exposure. However, this approach has significantly reduced the Council's debt interest payments, resulting in significant savings as highlighted above. Managing this ongoing risk will be a key theme of 2016/17.

8.11 Whilst total investment income fell, this was more than offset by savings achieved through internal borrowing, and the average yield achieved exceeded the benchmark. Crucially, the Council's capital was preserved and no investments are considered to be at risk. As such, the Council has achieved the three principal aims of the 2015/16 Treasury Strategy as outlined in Section 7.2.

<u>Prudential Indicators</u>

8.12 The Council can confirm that it has complied with its Prudential Indicators (PIs) for 2015/16 which were approved by Cabinet on 11th February 2015. These are shown at Appendix 1.

<u>Governance and Scrutiny</u>

8.13 The Council has strong arrangements around the governance and scrutiny of Treasury Management activities, over and above those prescribed in the Treasury Management Code. Since 2009 the Treasury Management Panel, comprising of Elected Members and Senior Officers from within the Council, meets on a regular basis to oversee operations and to make decisions on strategy.

8.14 There has been a change of personnel in the Audit Committee membership, and training for the new members with regard to treasury management will be organised in due course.

9. Review of TM Activities

9.1 Financial Services continue to closely monitor the Council's borrowing position together with a potential increase in interest rates. Affordability and the 'cost of carry' (the difference between long-term borrowing rates and short-term investment rates) remain important influences on the borrowing strategy. However, the Council will not be able to sustain a temporary / internally borrowed position and will need to fix out more borrowing in the near future to fund town centre spend. In addition to this, the Council has a number of loans that will mature over the next 2-3 years at relatively high rates. Financial Services will again seek to replace these loans at lower rates as part of the process to optimise the Council's longer term borrowing position.

9.2 One significant change has been the revised Minimum Revenue Provision (MRP) policy. This was the subject of significant review and a revised policy was submitted to Council for approval in March 2016. This will lead to significant savings for the Council over the medium term and the financial implications in 2015/16 are reflected in the Corporate Finance Summary for the 2015/16 Financial Year (which is included on this agenda).

9.3 Legal documentation from the Municipal Bond Agency has been received and Cabinet approval is required to enter into its Framework Agreement. The Agency is seeking to offer cheap loan rates to local authorities and once operational, it will allow the Council access to cheaper alternate rates compared to more traditional methods such as PWLB or market rates. As mentioned in the above paragraph, the Council has a need to borrow to fund capital expenditure and to refinance maturing debt. Cheaper capital finance arranged through the Bond Agency could reduce pressure on Council finances. The Agency will put together its first bond issue when Councils have approved the Framework Agreement and registered their interest. Further updates will be provided on the progress of the Agency and borrowing opportunities in due course.

9.4 Finally work is continuing on other areas affecting capital financing including the review of the Council's BSF programme and the Council's LOBO's. Both these examples are complex areas that require extensive interaction with the funders and in the case of BSF, further actions require the approval of the shareholders on the Barnsley's Local Education Partnership (LEP). Further information will be provided as the review into these and other areas are progressed.

10. Consultations

10.1 This report has been prepared using information supplied by the Council's Treasury Management advisors Capita and approved by the Treasury Management Panel.

11. Financial Implications

11.1 The financial implications arising from the treasury management activities for the year have been reported to Cabinet as part of the Council's revenue outturn report for 2015/16.

12. Employee Implications

12.1 None arising from this report.

13. Regulatory Framework & Risk Assessment

13.1 The Council has complied with all of the relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

13.2 The Council is aware of the risks of passive management of the treasury portfolio and, with the support of Capita, the Council's advisers, has proactively managed the debt and investments over the year.

13.3 Treasury Management risks are identified and monitored on the MKI Insight software as part of the Council's overall approach to managing risk.

13.4 Treasury Management is a core system and as such is subject to Internal Audit inspection on an annual basis. The current assessment of Treasury Management systems is 'substantial', with no outstanding recommendations.

14. Background Papers

14.1 Various Financial Services working papers.

APPENDIX 1

Prudential Indicators 2015/16

1. Actual Capital Expenditure

Capital expenditure is a significant source of risk and uncertainty and it is important that limits are monitored to ensure they remain within sustainable limits.

	2015/16 Actual £M
Actual Capital Expenditure GF	52
Actual Capital Expenditure HRA	25
Total Capital Expenditure	**77**

2. Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs.

Ratio of Financing Costs to Net Revenue Stream	Approved 2015/16 %	Actual 2015/16 %
General Fund	16	14
HRA	43	43

3. Actual Capital Financing Requirement (CFR)

The CFR measures the Council’s underlining need to borrow for capital purpose, i.e. its borrowing requirement. The CFR is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.

	2015/16 Actual £M
Actual CFR GF	655
Actual CFR HRA	285
Total CFR	940

4. Actual External Debt

This indicator is obtained directly from the Council's balance sheet and is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit (External Borrowing + Other Long Term Liabilities).

	Balance at 31/3/16 £M
External Borrowing GF	243
External Borrowing HRA	277
Other Long-Term Liabilities	246
Actual External Debt	**766**

5. Authorised Limit for External Debt

The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council.

The Authorised Limit is the statutory limit under the Local Government Act 2003 and must not be exceeded during the year.

	Indicator 2015/16 £M	Actual 2015/16 £M	Compliance with Indicator
Maximum Debt compared to Authorised Limit	965	800	YES

6. Operational Boundary for External Debt

This indicator refers to the means by which the authority manages its external debt to ensure it remains within the statutory authorised limit. It differs from the authorised limit in as far as it is based on the most likely scenario, in terms of capital spend and financing during the year.

Unlike the authorised limit breaches of the operational boundary (due to cash flow movements) are allowed during the year as long as they are not sustained over a period of time.

	Indicator 2015/16 £M	Actual 2015/16 £M	Compliance with Indicator

Average Debt Compared to Operational Boundary	950	788	YES

7. Adoption of CIPFA Code of Practice in TM

The Council adopted the CIPFA Code of Practice on Treasury Management on 13th February 2002

8a. Interest Rate Exposure – GF

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

The limits adopted by Council provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

Separate limits have been set for the GF and HRA debt pools. The level of variable rate exposure is set lower for the HRA, representing the slightly more risk averse and long-term nature of their debt management activity.

	Indicator 2015/16 %	Actual 2015/16 %	Compliance with Indicator
Upper Limit on Fixed Interest Rate Exposure	90	90	YES
Upper Limit on Variable Interest Rate Exposure	25	10	YES

8b. Interest Rate Exposure - HRA

	Indicator 2015/16 %	Actual 2015/16 %	Compliance with Indicator
Upper Limit on Fixed Interest Rate Exposure	100	83	YES
Upper Limit on Variable Interest Rate Exposure	25	17	YES

9a. Maturity Structure of Fixed Rate Borrowing – GF

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, thereby managing the effects of refinancing risks.

Separate limits have been set for the GF and HRA debt pools. The higher percentage of maturities within 12 months in the GF pool is representative of the strategy of short-term borrowing to minimise debt interest costs.

The Council's LOBOs are now shown within the 'Less than 12 months' category.

	Indicator 2015/16 %	Actual 2015/16 %	Compliance with Indicator
Less than 12 months	50	26	
12 months to 2 years	25	5	
2 years to 5 years	25	18	
5 years to 10 years	25	12	
10 years to 20 years	75	6	YES
20 years to 30 years	75	4	
30 years to 40 years	75	14	
40 years to 50 years	75	15	
50 years and above	75	0	

9b. Maturity Structure of Fixed Rate Borrowing - HRA

	Indicator 2015/16 %	Actual 2015/16 %	Compliance with Indicator
Less than 12 months	25	15	
12 months to 2 years	25	5	
2 years to 5 years	25	19	
5 years to 10 years	25	8	
10 years to 20 years	75	7	YES
20 years to 30 years	75	5	
30 years to 40 years	75	16	
40 years to 50 years	75	25	
50 years and above	75	0	

10. Maximum Principal Sums Invested

This indicator sets an upper limit for the level of investment that may be fixed for a period greater than 364 days. This limit is set to contain exposure to credit and liquidity risk.

	Indicator 2015/16 £M	Actual 2015/16 £M	Compliance with Indicator
Sums Invested > 364 days	20	0	
Sums Invested > 2 years	20	0	YES
Sums Invested > 3 years	20	0	

11. HRA Limit on Indebtedness

This indicator compares the HRA CFR with the Debt Cap prescribed by the CLG.

	Approved 2015/16 £M	Actual 2015/16 £M	Compliance with Indicator
HRA Debt Cap compared to HRA CFR	301	285	YES

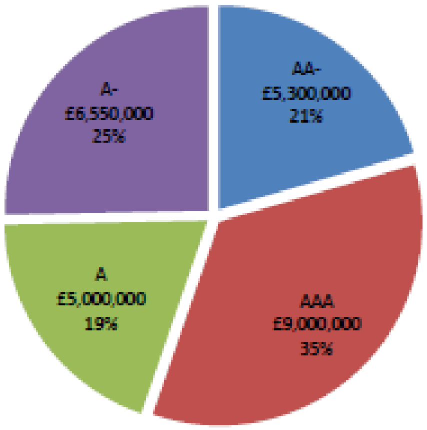
APPENDIX 2

Barnsley Mbc

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
Barclays Bank Plc	6,550,000	0.50%		Call	A-	0.000%
Svenska Handelsbanken AB	5,300,000	0.50%		Call	AA-	0.000%
EMMF Federated Sterling Cash Plus Fund	5,000,000	0.54%		EMMF	AAA	0.000%
EMMF Royal London Asset Management Cash Plus	2,000,000	0.60%		EMMF	AAA	0.000%
EMMF Payden Sterling Reserve Fund	2,000,000	0.96%		EMMF	AAA	0.000%
Lloyds Bank Plc	5,000,000	1.00%	20/08/2015	22/08/2016	A	0.024%
Total Investments	**£25,850,000**	**0.65%**				0.005%

Rating Exposure



Portfolios weighted average risk number = 3.97

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/EMMFs WAM	Excluding Calls/MMFs/EMMFs WAM at Execution
Yellow	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink1	19.34%	£5,000,000	100.00%	£5,000,000	19.34%	0.54%	0	0	0	0
Pink2	15.47%	£4,000,000	100.00%	£4,000,000	15.47%	0.78%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Orange	20.50%	£5,300,000	100.00%	£5,300,000	20.50%	0.50%	0	0	0	0
Red	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Green	44.68%	£11,550,000	56.71%	£6,550,000	25.34%	0.72%	62	159	144	368
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
	100.00%	£25,850,000	80.66%	£20,850,000	80.66%	0.65%	28	71	144	368

WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity