

**North East Derbyshire District Council**

**Audit and Corporate Governance Scrutiny Committee**

**26 July 2018**

**Budget Monitoring – Quarter 1 : April to June 2018**

**Report of the Joint Head of Finance and Resources and S151 Officer**

This report is public

**Purpose of the Report**

- The purpose of this report is to present to Members of the Audit and Corporate Governance Scrutiny Committee a summary of the Budget Monitoring for the first quarter of 2018/19 i.e. April to June 2018 which will be presented to Cabinet at its meeting 1 August 2018.

**1 Report Details**

- 1.1 To update Members of the Audit and Corporate Governance Scrutiny Committee concerning the current position in respect of quarter one April to June 2018 Budget Monitoring.
- 1.2 The report to be taken to the Council's Cabinet on 1 August 2018 is accordingly brought to the Audit and Corporate Governance Scrutiny Committee for its consideration.

**2 Conclusions and Reasons for Recommendation**

- 2.1 To ensure that the Audit and Corporate Governance Scrutiny Committee are kept informed of the latest position concerning Budget Monitoring.

**3 Consultation and Equality Impact**

- 3.1 These are detailed in the attached report as **Appendix 1**.

**4 Alternative Options and Reasons for Rejection**

- 4.1 These are detailed in the attached report.

**5 Implications**

**5.1 Finance and Risk Implications**

These are detailed in the attached report.

## 5.2 Legal Implications including Data Protection

These are detailed in the attached report.

## 5.3 Human Resources Implications

These are detailed in the attached report.

## 6 Recommendations

- 6.1 That the Audit and Corporate Governance Scrutiny Committee note the report concerning the Council's Budget Monitoring for Quarter 1 2018/19 and make any comments that they believe to be appropriate concerning these matters.

## 7 Decision Information

<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC:</i> <i>Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC:</i> <i>Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>District Wards Affected</b>	All
<b>Links to Corporate Plan priorities or Policy Framework</b>	All

## 8 Document Information

Appendix No	Title
1	Cabinet Report 1 August 2018 Budget Monitoring – Quarter 1 2018/19
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Dawn Clarke Joint Head of Finance and Revenues and S151 Officer	01246 217658

**North East Derbyshire District Council**

**Cabinet**

**1 August 2018**

**Medium Term Financial Plan - Budget Monitoring Report**

**Quarter 1 – April - June 2018**

**Report of Councillor P R Kerry, Portfolio Holder for Finance**

This report is public

**Purpose of the Report**

- To update Cabinet on the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury management activity.

**1 Report Details**

- 1.1 Officers have adopted the integrated approach to budget monitoring utilised in previous years for the first quarter with Performance, Risk and Finance being considered at performance meetings held during July 2018. The scope of this report is therefore to report the current financial position following the 2018/19 quarter one monitoring exercise.

**General Fund Revenue Account**

- 1.2 The General Fund summary is shown at **Appendix 1**. Since the original budget was approved in February 2018, the Council has finalised the restructure of its directorates. Our financial reporting needs to reflect this change and this is demonstrated in the current budget at column 2.
- 1.3 The original savings target for 2018/19 was £0.433m. Savings identified to date and other changes to the budget are summarised by directorate in the current budget. The savings target has now been met for 2018/19 as shown in Table 1 below:

**Table 1**

	<b>2018/19 Budget</b>	<b>2018/19 Q1 Update</b>	<b>2019/20 Budget</b>	<b>2020/21 Budget</b>	<b>2021/22 Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Budget Shortfall</b>	<b>545</b>	<b>545</b>	<b>1,390</b>	<b>1,723</b>	<b>2,046</b>
Council Tax Increase 2018/19	(111)	(111)	(111)	(111)	(111)
<i>Options Identified:</i>					
NNDR Growth	(1,516)	(1,156)	0	0	0
Transformation, Income Generation/Cost Reduction/Business Redesign	0	(13)	(13)	(13)	(13)
Vacancy Management	0	(55)	0	0	0
Total Transformation Options	(1,627)	(1,695)	(124)	(124)	(124)
<b>General Fund (surplus)/Budget Shortfall</b>	<b>(1,082)</b>	<b>(1,150)</b>	<b>1,266</b>	<b>1,599</b>	<b>1,922</b>

- 1.4 The budget monitoring undertaken in the first quarter is monitored against the current budget. A comparison of the profiled budget (column 3) against the actual expenditure to date (column 4) at the net cost of services line shows an under spend at the end of the first quarter of £0.061m. This is due to minor underspends against employee costs budgets and lower than forecast transport costs at this point,
- 1.5 The quarterly performance monitoring meetings have not identified any significant budget issues to report at this stage. The summary shows that the Council is spending slightly below its profiled budget at the end of the first quarter, £0.108m after taking account of interest and investment properties.
- 1.6 Officers will begin working with budget managers during the next quarter to compile a revised budget for 2018/19. This will amend the current budgets to capture additional budget savings and reduce spending where it is anticipated that there will be a minimal impact upon service delivery. Where possible the budget in future years will be amended to reflect savings identified to assist with projected budget shortfalls. The revised budget position will be presented to Cabinet in November.

## **Business Rates Retention (BRR) Pilot**

- 1.7 As reported in the Medium Term Financial Plan (MTFP), the Derbyshire Business Rates Pool was accepted by the Government as one of ten pilot pools for 2018/19.
- 1.8 At the time of approving the budget the full impact to the Council of being in the Pilot was still being finalised. This has now been completed and forecasts show that the one year benefit to the Council will be in the region of £1.516m. However, as a consequence of being a 100% pilot authority the Revenue Support Grant due will no longer be received, a loss of £0.341m, which was assumed in the MTFP. The BRR income forecast has been included in quarter 1 and transferred to the Invest to Save Reserve.
- 1.9 The BRR income forecast is based on an estimate of business rates growth across the County that could fluctuate during the year. This presents a risk to the MTFP as should the growth not be achieved the allocation to the Council would decrease. The final allocation will not be known until May 2019 following submission of NNDR3 returns.
- 1.10 Income for Business Rates for 2019/20 and future years reverts back to existing pool arrangements of 50% rates retention. These figures have been revised after receiving updated baseline funding level information and tariff amounts in the settlement.

## **The National Funding Settlement 2020/21**

- 1.11 A number of fundamental changes to local authority funding are currently being considered by the Government for incorporation into the 2021/21 settlement. These are summarised below:
- 1.12 Fair Funding Review (FFR)
- 1.13 The national funding allocations formula was last reviewed in 2013/14 and it is intended that the outcomes of the current FFR will inform the 2020/21 spending review and therefore the financial settlement. Consultation closed in March 2018 and it is still too early to say with any clarity what the impact of the FFR will be but initial modelling is showing that the recalculated Settlement Funding Assessment (SFA) is redirecting resources to those based on “need” which will impact negatively on most shire districts.
- 1.14 The risk of losses from the FFR is also much greater for high taxbase authorities (mainly districts). High taxbase councils are those where their ability to raise income from council tax is greater than the assessment of funding need, based on the SFA. This puts a greater burden on the local decision making of these councils regards council tax setting each year.
- 1.15 Business Rates Reset
- 1.16 The business rates baseline funding level (BFL) calculates by formula each council's share of overall resources and is based on each Councils' business rates baseline, taken from the NNDR1 each year. A full reset of the BFL is

planned for 2020/21 although there is some debate currently around this and consultation is due later this year with draft options early next year. Should a full reset proceed this would mean that any business rates growth accumulated since 2013/14 (the last reset) would be rolled into each Council's BFL, effectively wiping the benefit of that growth out. This growth would then be redistributed according to need. In general terms, districts have benefited most from this growth so would therefore be the worst affected by the reset.

- 1.17 There is also a proposal to increase the local share for business rates to 75% from 2020/21. However, it is expected that county councils will benefit from this increase rather district councils whose share is likely to stay at 40% or maybe even reduce.
- 1.18 There are still too many variables to put any huge reliance on the impact of a business rates reset or change to the local share at this stage but it is likely to affect district councils which is a risk to the current MTFP.
- 1.19 It is unlikely that any meaningful financial information will be available ahead of the 2020/21 provisional settlement in late 2019. The impact of these changes will be closely monitored and the risks presenting as a result, be considered as part of the MTFP refresh.

### **Housing Revenue Account (HRA)**

- 1.20 The Housing Revenue Account in respect of the first quarter of 2018/19 is set out in **Appendix 2** to this report. The current position shows an under spend of £0.126m.
- 1.21 Dwelling rents are slightly lower than forecast. This is a minor variance (0.07%) and the position will be reviewed during the revised budget process and if necessary, amended at that stage. Non dwelling rents are higher than forecast due to lower voids in the first quarter. Income from charges to services is also higher than budget at this point (£0.048m) but this is expected to realign in the coming months.
- 1.22 Expenditure is £0.039m below budget at quarter one; there are no major variances of note to report within this.

### **Capital Investment Programme**

#### **Capital Expenditure**

- 1.23 The first quarter monitoring position in respect of the Capital Programme is provided in **Appendix 3** to this report. In total, the approved capital programme for 2018/19 is £17.532m.
- 1.24 The capital programme profiled budget for quarter 1 is £4.154m and actual spend and known commitments total £4.221m, giving a favourable variance of £0.057m. This minor underspend relates to the housing investment programme and will rectify over the coming months.
- 1.25 On 9 May 2018, Cabinet approved an acquisitions and disposals policy to facilitate proactive management of the housing stock. This scheme is being managed by the

Council's housing partner, Rykneld Homes. During the first quarter income from sales was £0.910m with £0.560m committed in purchases.

## **Capital Resources**

- 1.26 The Council has sufficient capital resources in place to finance the actual expenditure and commitments of the capital programme at the end of the first quarter. As in previous years, officers will continue to work to generate capital receipts in order to assist in secure the funding for the capital programme in future financial years.

## **Treasury Management**

- 1.27 The treasury management function covers the borrowing and investment of Council money. This includes both the management of the Council's day to day cash position and the management of its long term debt. All transactions are conducted in accordance with the Council's approved strategy and the CIPFA Code of Practice. Good treasury management plays an important role in the sound financial management of the Council's resources.
- 1.28 The Council approved the 2018/19 Treasury Management Strategy at its meeting in February 2018. **Appendix 4** identifies the Treasury Management activity undertaken during the first quarter of 2018/19.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 The report summarises the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury management activity.

## **3 Consultation and Equality Impact**

- 3.1 There are no consultation and equality impact implications from this report.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 This report is concerned with monitoring the position against the Council's previously approved budget. Accordingly the report does not set out any options where a decision is required by Members.

## **5 Implications**

### **5.1 Finance and Risk Implications**

- 5.1.1 Financial issues and implications are covered in the relevant sections throughout this report. In summary these are:

#### **5.1.2 General Fund**

- 5.1.3 The council has achieved its savings target for 2018/19 and made a contribution to the Invest to Save Reserve of £1.150m, mainly the result of forecast income from

the Business Rates retention pilot. The monitoring position shows a net under spend in the first quarter of £0.108m.

- 5.1.4 Changes to the local government financial settlement from 2020/21 may present risks to the Councils MTFP but it is unlikely that any meaningful financial information will be available ahead of the 2020/21 provisional settlement in late 2019. The impact of these changes will be closely monitored and reported accordingly.

#### 5.1.5 HRA

The current position shows an under spend of £0.126m. The dwelling rents budget is slightly lower than forecast which will be reviewed during the revised budget process and if necessary, amended at that stage.

There are no other significant income or expenditure variances within the HRA to report at the end of the first quarter.

#### 5.1.6 Capital Expenditure

There are no significant areas of concern to report regarding the Capital Programme in the first quarter of 2018/19.

#### 5.1.7 Capital Income

The Council has sufficient capital resources in place to finance the actual expenditure and commitments of the capital programme at the end of the first quarter.

#### 5.1.8 Treasury Management

There are no significant areas of concern to report regarding Treasury Management activities in the first quarter of 2018/19.

### 5.2 Legal Implications including Data Protection

- 5.2.1 There are no legal issues arising directly from this report.

### 5.3 Human Resources Implications

- 5.3.1 There are no human resource implications arising directly out of this report.

## 6 Recommendations

- 6.1 That Cabinet notes the monitoring position of the General Fund at the end of the first quarter as detailed on **Appendix 1**.
- 6.2 That Cabinet notes the risk that the potential changes to the Local Government Finance Settlement may have on the MTFP.



- 6.3 That Cabinet notes the monitoring position of the Housing Revenue Account (HRA), the Capital Programme and Treasury Management at the end of the first quarter as detailed in Appendices 2-4.

## 7 Decision Information

<b>Is the decision a Key Decision?</b>  A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/>  <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/>  <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b>  (Only Key Decisions are subject to Call-In)	No
<b>Has the relevant Portfolio Holder been informed</b>	Yes
<b>District Wards Affected</b>	All
<b>Links to Corporate Plan priorities or Policy Framework</b>	All

## 8 Document Information

Appendix No	Title
Appendix 1	General Fund Summary – quarter 1
Appendix 2	Housing Revenue Account Summary – quarter 1

Appendix 3	Capital Programme Summary – quarter 1
Appendix 4	Treasury Management Update – quarter 1
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
None	
<b>Report Author</b>	<b>Contact Number</b>
Dawn Clarke – Head of Finance and Resources	01246 217658

Report Reference –

## GENERAL FUND SUMMARY 2018/19 Quarter

## APPENDIX 1

	1	2	3	4	5
	Original Budget 2018/19 £	Current Budget 2018/19 £	Profiled Qtr 2 Budget £	Actuals with Accruals £	Variance £
Place	2,750,446	2,666,486	869,940	857,073	(12,867)
People	9,007,422	9,007,271	2,549,843	2,502,151	(47,692)
Bad Debt Provisions	40,000	40,000	10,000	10,000	0
Recharges to Capital and HRA	(527,500)	(527,500)	(131,979)	(131,979)	0
Savings Target	(433,574)	0	0	0	0
<b>Net Cost of Services</b>	<b>10,836,794</b>	<b>11,186,257</b>	<b>3,297,804</b>	<b>3,237,245</b>	<b>(60,559)</b>
Investment Properties	(421,304)	(424,854)	(106,214)	(107,999)	(1,785)
Interest	33,712	33,712	8,428	(37,338)	(45,766)
Debt Repayment Minimum Revenue Provision	256,000	256,000	64,000	64,000	0
Parish Precepts	3,052,791	3,052,791	1,526,395	1,526,395	0
Parish Council Tax Support Grant	140,763	140,763	70,382	70,382	0
Transfer to General Fund Balances	0	0	0	0	0
Transfer To Earmarked Reserves	98,381	1,327,628	1,327,628	1,327,628	0
Transfer From Earmarked Reserves	(297,256)	(356,890)	(356,890)	(356,890)	0
<b>Total Spending Requirement</b>	<b>13,699,881</b>	<b>15,215,407</b>	<b>5,831,533</b>	<b>5,723,423</b>	<b>(108,110)</b>
Business Rates	(3,850,000)	(5,365,526)	(2,478,026)	(2,478,026)	0
Revenue Support Grant	0	0	0	0	0
New Homes Bonus	(920,291)	(920,291)	(230,256)	(230,256)	0
Collection Fund (Surplus)/Deficit - NNDR	0	0	0	0	0
Collection Fund (Surplus)/Deficit - Council Tax	(162,817)	(162,817)	(40,735)	(40,735)	0
NEDDC Council Tax Requirement	(5,713,982)	(5,713,982)	(1,428,496)	(1,428,496)	0
Parish Council Council Tax Requirement	(3,052,791)	(3,052,791)	(763,198)	(763,198)	0
<b>Council Tax Requirement</b>	<b>(13,699,881)</b>	<b>(15,215,407)</b>	<b>(4,940,711)</b>	<b>(4,940,711)</b>	<b>0</b>

**HOUSING REVENUE ACCOUNT: SUMMARY 2018/19 - Quarter 1**

	<b>Current Budget 2017/18 £</b>	<b>Profiled Qtr 1 Budget £</b>	<b>Actuals with Accruals £</b>	<b>Variance £</b>
<b>INCOME</b>				
Dwelling Rents	(31,117,664)	(8,427,701)	(8,421,276)	6,424
Non-Dwelling Rents	(375,002)	(101,563)	(137,138)	(35,575)
Charges for Services and Facilities	(148,500)	(37,146)	(46,990)	(9,844)
Contributions Towards Expenditure	(10,000)	(2,492)	(50,489)	(47,997)
<b>INCOME TOTAL</b>	<b>(31,651,166)</b>	<b>(8,568,902)</b>	<b>(8,655,893)</b>	<b>(86,992)</b>
<b>EXPENDITURE</b>				
Repairs & Maintenance	5,341,379	1,336,385	1,319,708	(16,677)
Supervision and Management	6,802,587	205,075	201,398	(3,677)
Rents, Rates & Taxes	120,860	30,237	11,989	(18,248)
Capital Charges - Depreciation	7,050,000	1,763,910	1763910	0
Provision for Bad Debts	250,000	62,500	62,500	0
Debt Management Expenses	11,500	2,875	2,875	0
<b>EXPENDITURE TOTAL</b>	<b>19,576,326</b>	<b>3,400,982</b>	<b>3,362,380</b>	<b>(38,602)</b>
<b>NET COST OF SERVICES</b>	<b>(12,074,840)</b>	<b>(5,167,920)</b>	<b>(5,293,513)</b>	<b>(125,593)</b>
Corporate & Democratic Core	55,000	13,750	13,750	0
<b>NET COST OF HRA SERVICES</b>	<b>(12,019,840)</b>	<b>(5,154,170)</b>	<b>(5,279,763)</b>	<b>(125,593)</b>
Interest Payable	5,334,902	1,334,790	1,334,790	0
Interest Receivable	(19,175)	(4,797)	(4,797)	0
Revenue Contribution to Capital	2,354,113	588,918	588,918	0
MRP	4,300,000	1,075,860	1,075,860	0
Transfer to Insurance Reserve	50,000	12,500	12,500	0
<b>(Surplus)/Deficit on HRA Services</b>	<b>0</b>	<b>(2,146,899)</b>	<b>(2,272,492)</b>	<b>(125,593)</b>

## CAPITAL PROGRAMME 2018/19 - Quarter 1

Project/Scheme	Current Programme 2018/19 £000	Profiled Budget Quarter 1 £000	Actual and Commitments Quarter 1 £000	Variance at Quarter 1 £000
<b>Housing Investment</b>				
HRA Capital Works	9,486	2,372	2,315	(57)
Demolition of Houses in Renishaw	100	0	0	0
EWI Scheme - Grassmoor	395	0	0	0
Pine View Danesmoor	900	0	0	0
North Wingfield New Build	1,977	576	576	0
Stock Purchase Programme	1,482	711	711	0
Acquisitions and Disposals (RHL)	560	0	0	0
Private Sector Spending	689	267	267	0
<b>Total Housing Investment</b>	<b>15,589</b>	<b>3,926</b>	<b>3,869</b>	<b>(57)</b>
<b>Other Capital Projects</b>				
Asset Refurbishment - General	150	14	14	0
Eckington Swimming Pool Refurbishment	32	0	0	0
Roller Shutter Door Replacements	82	0	0	0
Leisure Centre Kit Replacement	106	0	0	0
Eckington Swimming Pool Roof	270	0	0	0
Lottery Funded Schemes	11	0	0	0
Replacement Vehicles	1,141	247	247	0
Contaminated Land	42	0	0	0
ICT Schemes	109	24	24	0
<b>Total Other Capital Projects</b>	<b>1,943</b>	<b>285</b>	<b>285</b>	<b>0</b>
<b>Total Capital Expenditure</b>	<b>17,532</b>	<b>4,211</b>	<b>4,154</b>	<b>(57)</b>
<b>Housing Investment Funding</b>				
Major Repairs Allowance	(9,536)	(2,372)	(2,315)	57
External Grant	(730)	0	0	0
HRA Capital Investment Reserve	(1,056)	(711)	(711)	0
Usable Capital Receipts	(1,036)	0	0	0
Prudential Borrowing	(2,542)	(576)	(576)	0
	<b>(14,900)</b>	<b>(3,659)</b>	<b>(3,602)</b>	<b>57</b>

<u>Private Sector Spending</u>				
Disabled Facilities Grant	(669)	(262)	(262)	0
Usable Capital Receipts	(20)	(5)	(5)	0
<b>Total Housing Investment Funding</b>	<b>(15,589)</b>	<b>(3,926)</b>	<b>(3,869)</b>	<b>57</b>
<b>Other Capital Projects Funding</b>				
External Grant	(43)	0	0	0
Prudential Borrowing	(1,411)	(247)	(247)	0
RCCO - GF	(153)	(21)	(21)	0
Useable Capital Receipts	(336)	(17)	(17)	0
<b>Other Capital Project Funding</b>	<b>(1,943)</b>	<b>(285)</b>	<b>(285)</b>	<b>0</b>
<b>Total Capital Financing</b>				
	<b>(17,532)</b>	<b>(4,211)</b>	<b>(4,154)</b>	<b>57</b>

**Treasury Management Activity April – June 2018/19****PWLB Borrowing**

The Council's total outstanding PWLB debt amounted to £154.149m at 1 April 2018. During the first quarter of 2018/19 nothing has been repaid to the PWLB so the balance at 30 June 2018 remains at £154.149m. During the current financial year no new loans have been taken out with the PWLB. The profile of the outstanding debt is analysed as follows: -

<b>PWLB Borrowing</b>	<b>Maturity Profile 31 March 2018</b>	<b>Maturity Profile 30 June 2018</b>
<b>Term</b>	<b>£'000</b>	<b>£'000</b>
12 Months	3,303	3,303
1 - 2 years	1,304	1,304
2 - 5 years	2,620	2,620
5 - 10 years	25,412	25,412
10 - 15 years	24,420	24,420
Over 15 years	97,090	97,090
<b>Total PWLB Debt</b>	<b>154,149</b>	<b>154,149</b>

**PWLB Interest**

The interest cost to the Council of the PWLB debt for 2018/19 is shown in the table below. The cost is split between the HRA and General Fund based on the level of debt outstanding within the CFR.

<b>Date</b>	<b>Amount Paid to PWLB</b>
	<b>£'000</b>
Less Accrued Interest re 2017/18	(50)
Plus Accrued Interest re 2018/19	1,401
<b>Total Paid</b>	<b>1,351</b>

## Temporary Borrowing

Cash flow monitoring and management serves to identify the need for short term borrowing to cover delays in the receipt of income during the course of the year. During the current year to date short term borrowing from the Council's own bank hasn't incurred any interest charges. At the 30 June 2018 the Council had no temporary borrowing.

## Temporary Investments

The tables below detail the short term investments made during the first quarter 2018/19:

<b>Bank Name</b>	<b>B/Fwd 01/04/18 £'000</b>	<b>Invested £'000</b>	<b>Returned £'000</b>	<b>C/Fwd 30/06/18 £'000</b>
Santander	25	500	0	525
Standard Life	0	11,000	(6,000)	5,000
Federated Fund 3	2,500	3,000	(2,500)	3,000
Federated GBP 3	2,000	0	0	2,000
Svenska Handelsbanken	0	100	0	100
King & Shaxson	2,268	0	(2,268)	0
West Dunbartonshire Council	4,000	0	(4,000)	0
Lancashire County Council	2,000	0	0	2,000
Cheshire East Borough Council	1,000	0	0	1,000
<b>Total</b>	<b>13,793</b>	<b>14,600</b>	<b>(14,768)</b>	<b>13,625</b>

Work is continuing to maximise interest yield from investments without any real increase to risk and within the confines of the approved treasury management strategy. Interest earned from temporary investments during the first quarter 2018/19 is detailed in the table below:-



<b>Bank Name</b>	<b>Interest Receivable £</b>
Santander	(7)
Federated	(6,158)
Standard Life	(1,610)
Coventry Building Society	(2,921)
Nationwide Building Society	(3,150)
West Dunbartonshire Council	(4,340)
Lancashire County Council	(3,472)
Cheshire East Borough Council	(1,995)
<b>Total</b>	<b>(23,653)</b>

### Overnight Investments

The balance of the daily surplus funds can be placed as overnight investments with the Council's bank which is Lloyds. The maximum amount invested with Lloyds in the first quarter of the financial year was £4.939m. There has been no breach of the £5m limit set in the Treasury Management Strategy. The interest earned from daily balances to 30 June 2018 is £2,051.

### Compliance with Treasury Limits

During the financial year the Council continued to operate within the treasury limits set out in the Council's Borrowing and Investment Strategy.

	Actual 2018/19 £'000	Set Limits 2018/19 £'000
Authorised Limit (total Council external borrowing limit)	186,968	201,861
Operational Boundary	154,149	196,861