



## **Declarations of Interest**

Any Member attending the meeting is reminded of the requirement to declare if he/she has a personal interest in any item of business, as defined in the Code of Conduct. If that interest is a prejudicial interest as defined in the Code the Member should also withdraw from the meeting.

## **A G E N D A**

### **1. Apologies for Absence**

To receive any apologies for absence.

### **2. Minutes**

To receive the minutes of the meeting held on 25 January 2017. (1 - 4)

*REPORTS LIKELY TO LEAD TO PORTFOLIO HOLDER RECOMMENDATION TO CABINET*

### **3. South Bucks District Council Arrears Collection Project (5 - 12)**

*REPORTS FOR INFORMATION / DISCUSSION*

### **4. Treasury Management Performance Quarter 3 2016/17 (13 - 16)**

### **5. Any other business**

### **6. Exempt Information**

"That under Section 100(A)(4) of the Local Government Act 1972 following item of business is not for publication to the press or public on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act."

*REPORTS LIKELY TO LEAD TO PORTFOLIO HOLDER DECISION*

### **7. Application for Hardship Relief 1 (17 - 20)**

*Appendix A (21 - 24)*

### **8. Application for Hardship Relief 2 (25 - 28)**

*Appendix A (29 - 38)*

*REPORTS LIKELY TO LEAD TO PORTFOLIO HOLDER RECOMMENDATION TO CABINET*

### **9. Vacating Capswood 1 (39 - 44)**

### **10. South Bucks District Council Arrears Collection Project - (Part II) Appendix 1 (45 - 46)**

The next meeting of the PAG is due to take place on Thursday, 15 June 2017

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## RESOURCES POLICY ADVISORY GROUP

Meeting - 25 January 2017

Present: Mr Egleton (Chairman)  
Mr Hogan, Mrs Jordan and Mr Sangster

Apologies for absence: Mr Hollis

### 68. MINUTES

The minutes of the meeting of the Policy Advisory Group (PAG) held on 8 December 2016 were received.

### 69. ESTABLISHMENT OF A LOCAL AUTHORITY TRADING COMPANY

Members received a report which set out the proposal that the Council ("SBDC") establishes a trading company, wholly owned by the Council, to enable the Council to take advantage of the powers to trade for profit introduced under the Local Government Act 2003 and the Localism Act 2011. It identified the Council's current and future property portfolio as a potential income generator and the risks the Council would be exposed to should it set-up a trading company. The next step would be to engage experts to help formulate the business case and in addition obtain specialist legal advice at a cost of approximately £20k, with an additional cost for financing/tax advice (around £5k for initial review but would be more if greater input was required).

Members discussed the timing of such an undertaking and the potential governance arrangements, which officers agreed was a high priority to ensure clear business objectives are set for any company, and the officers and board of any company are able to act in a commercial manner. This makes it important that appointments are made based on a clear statement of skills and experience, so that an independent and skilled board and management steers the new entity. It was suggested that relevantly experienced councillors could be non-executive board members, as well as people from the private sector with the necessary skills. Remuneration of board members was also discussed and it was acknowledged that the salary bill might be high and that share options might be a good way of incentivising the MD/CEO. Other local authority trading companies were seen as relevant reference points when devising the business case. Officers confirmed that the business case would consider the set-up costs and initial funding of the trading company.

Having considered the advice of the PAG, the Portfolio Holder **RECOMMENDED** to Cabinet:

1. That the establishment of a local authority trading vehicle to allow the Council to exercise the power to trade contained in the Local Government Act 2003 and the Localism Act 2011 to facilitate income generation be approved in principle
2. That the Interim Director of Services and Head of Legal and Democratic Services be authorised to engage suitable external experts to advise on the detail of the governance and

funding arrangements of the proposed company and to assist in the preparation of a business case as referred to in the report;

3. That budgetary provision of £25,000 be made to commission the work referred to in Recommendation 2 above, to be funded from general reserves;

4. That a further report on the business case and recommended governance and funding arrangements be brought back to the Cabinet at the first available opportunity.

#### 70. **ANNUAL TREASURY MANAGEMENT STRATEGY 2017/18**

Members considered a report on the Council's Annual Treasury Management Strategy 2017/18. Members acknowledged the Council's duty to review its Treasury Management Strategy on a yearly basis. The report confirmed that although there is no substantial change to the strategy in respect of investments, the Prudential Borrowing Code now has relevance as from 2017/18 the Council may undertake borrowing of up to £11m to fund various capital projects.

Members commented on continued low interest rates and the impact of this on the Council's investment income. They also clarified the interest rate the Council would pay on any loans.

Having considered the advice of the PAG, the Portfolio Holder **RECOMMENDED** that the Treasury Management Strategy and its associated appendices be submitted for Cabinet and then Council for approval.

#### 71. **CAPITAL PROGRAMME 2017/18 - 2020/21**

Members received a report which detailed the Capital Programme for 2017/18 to 2020/21. The key projects planned for the period include the Multi Storey Car Park at Gerrards Cross, redevelopment of the Academy, investment in waste bins, development of the Gerrards Cross Police Site, a budget for Disabled Facilities Grants, Renovation Grants and Flexible Home Loans, New Development Projects and Capswood maintenance. To pay for these projects, funds from grants, capital receipts, revenue reserves and contributions are to be used, as is selective borrowing potentially from 2017/18.

Members queried the accounting principles used as part of the strategy, the cost of the indicated projects, consultancy used in relation to the projects and the geographic concentration of the larger projects currently proposed around Gerrards Cross. It was discussed that potential future projects are likely to be spread around the South Bucks area.

Having considered the advice of the PAG, the Portfolio Holder **RECOMMENDED** the onward submission to Cabinet and Council of:

- i) The Capital Programme for 2017/18 – 2020/21 as set out in Appendix A
- ii) The Capital Strategy as set out in Appendix B

And that the implication for the Financial Strategy of the proposed programme be noted.

72. **ANY OTHER BUSINESS**

None.

73. **EXEMPT INFORMATION**

"That under Section 100(A)(4) of the Local Government Act 1972 following item of business is not for publication to the press or public on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act."

(para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information))

74. **PART II MINUTES**

The Part II minutes of the meeting held on 8 December were confirmed.

75. **GERRARDS CROSS POLICE STATION**

Members received the report from the Head of Healthy Communities and the Head of Environment, which detailed the indicative business case for the Council's purchase and development of the Gerrards Cross Police Station Site.

Funding for the negotiating of purchasing of the site was agreed by Cabinet on 4 July 2016. Since this time, officers have undertaken due process to enable exchange of contracts and completion of the sale. It was being recommended that the Council appoints a project manager to undertake the design and planning approval to develop the site. The report also set out the budgetary provision which was required for the continued purchase and development of the site.

Members clarified the processes that have already been undertaken to purchase the site, the associated costs and the site's planned housing density. Members emphasised the fact that the site was currently in the green belt and that this would dictate final housing density. Clarification was sort on stamp duty fees and officers confirmed this would be included in the detailed proposal, to be brought to Cabinet. Members questioned how any future community infrastructure levy, applied to the site, might impact the Council. Officers confirmed any levy would relate to planning permission, which was being sort before any potential levy is implemented. Members also queried the percentage of affordable housing as set out in the report.

Having considered the advice of the PAG, the Portfolio Holder **RECOMMENDED** to Cabinet and Council:

- a. To make budgetary provision of £4,222,500 from the Capital Receipts Reserves to enable the continued purchase of the site and meet the associated expenditure required by the Council to meet its obligations in acquiring the site.
- b. To add £5.3M budgetary provision to the Capital Programme, which will result in additional borrowing to enable the site to be redeveloped for housing and to

authorise the Head of Environment to draw down expenditure up to £800k from the Capital Programme to initiate the scope of works required to bring the site to development.

And to **RECOMMEND** to Cabinet:

- c. To enter in to a tender process to demolish the current police station and ex-police houses on a phased basis, once planning permission has been obtained
- d. To seek approval to appoint a project manager and developer through the Scape framework agreement, to obtain detailed design and planning approval for housing on the Gerrards Cross Police station site and to provide the detailed business plan at an estimated cost of £800k. A further report to present the detailed business plan before moving to the development phase.
- e. To authorise the Head of Healthy Communities enter in to agreement with Buckinghamshire Housing Association to continue to manage the ex-police houses for use as emergency accommodation for a 12 month period from; 1st June 2017, with the option to extend for further rolling 3 month periods
- f. To authorise the Head of Environment and Head of Healthy Communities to spend £10k to develop a business plan and planning proposals for emergency accommodation to be delivered on Council owned land or through the acquisition of property in the district.

**76. GERRARDS CROSS CAR PARK - WITHDRAWN FROM AGENDA**

The meeting terminated at 7.26 pm

<b>SUBJECT:</b>	<i>South Bucks District Council Arrears Collection Project</i>
<b>REPORT OF:</b>	<i>Cllr Trevor Egleton</i>
<b>RESPONSIBLE OFFICER</b>	<i>Mrs Nicola Ellis Head of Customer Services</i>
<b>REPORT AUTHOR</b>	<i>Richard Charters 01494 732272 rcharters@chiltern.gov.uk</i>
<b>WARD/S AFFECTED</b>	<i>All</i>

### 1. Purpose of Report

The purpose of this report is to update Members on the progress of the project to recover arrears of Council Tax, Business Rates and Housing Benefit overpayments

### 2. Recommendations

The PAG is asked to advise the Portfolio Holder on the following recommendation(s):

#### **RECOMMENDATION to Cabinet**

- **Members are requested to note the progress of the South Bucks District Council Recovery project**
- **To authorise the write off of specified non domestic rates with values over £10,000 where all previous recovery attempts have failed and there are no further routes of recovery as set out in the confidential appendix.**

Cabinet to consider the advice of the Portfolio Holder and any comments arising from the PAG.

### 3. Reasons for Recommendations

At the commencement of the project it was agreed that progress would be reported to members. Throughout the project there will be debts that are to be written off as we are unable to recover, under the financial procedure rules write offs over £10,000 are to be authorised by cabinet.

### 4. Content of Report

#### **Recovery Project Update**

4.1 On 1 May 2016 Chiltern District Council and South Bucks District Council became a joint Revenues and Benefits Service. As a result of the service review the amount of council tax, non domestic rates arrears and housing benefits overpayments outstanding at South Bucks District Council was highlighted as an area where the new service could act to improve recovery of these debts. This action would bring increased income to South Bucks District Council, Buckinghamshire County Council, Thames Valley Police Authority and Buckinghamshire & Milton Keynes Fire Service.

4.2 When the Joint Service Business case was submitted to Members on 16 November 2015 the following income was estimated to be achieved via the project:

South Bucks portion of income	£ Total over two years
South Bucks net income for Council Tax and Business Rates (minus costs)	26,806
South Bucks income from Housing Benefit overpayments	71,290
Total income for South Bucks from Council Tax, Business Rates and Housing Benefit overpayments	98,096

4.3 At the commencement of the project protocols were set up to determine what proportion of the debt outstanding would become the Joint Service's responsibility and what proportion would remain the responsibility of Northgate Public Services. It was agreed that all debts outstanding up to 31 October 2015 would become the responsibility of the Joint Revenues Service.

4.4 Following this decision, all accounts that fell into this criteria were required to be separately coded on the Academy Software system used by Northgate to ensure there was a clear distinction for Officers to establish their lines of responsibility. This was a difficult and complex procedure that did take several months to set up properly. The result of this separation of debts established the following starting point of arrears outstanding for the Shared Service to collect.

Debt	Total Debt Outstanding	Total Number of payers with Debt Outstanding
Council Tax	£2,554,126.85	1611
Non Domestic Rates	£843,773.12	90
Housing Benefit Overpayments	£1,378,046.52	1481

### **Housing Benefits Overpayments**

4.5 Initially the Recovery Project has focused on the collection of the overpayments of housing benefits. The collection of these debts generates the highest percentage of income to South Bucks DC.

4.6 Housing Benefit overpayments arise when a customer fails to tell us about a change of circumstances that reduces their benefit prior to a payment being made., They are the most difficult debt to recover due to the low incomes and vulnerabilities of the people that are being recovered from and the lack of enforcement powers available to recover the debts. For housing benefit overpayments Enforcement Agents do not have the power of enforcement

unless a county court judgement is obtained which is expensive and requires a high amount of staff/legal resource to initiate.

4.7 All overpayments were reviewed, resulting in arrangements being set up to recover a significant number of cases via deduction from the benefit claimants on going benefit entitlement. To date this recovery action has generated an income of approximately **£36,000** and arrangements have been set up which we estimate will bring in approximately **£4500** per month.

4.8 The review of all overpayments has also resulted in the correct allocation of other payments which has led to an overall reduction of outstanding overpayments from the initial starting balance total of £1,378,000 to £1,261,000.

**In total the debt outstanding from the starting balance has reduced down by £117,000.**

The next course of action for the outstanding cases is to again refer to Enforcement Agents who would act as collecting agents for the debt. However it is accepted that at the end of the project there will still be amounts outstanding that are being collected from on going benefit and outstanding amounts where recovery is not deemed likely will be written off.

### **Non Domestic Rates**

4.9 On 17 October 2016 ninety three non domestic rates cases totalling £406,378.53 have been passed to Enforcement Agents to collect. Nineteen cases totalling £25,156.05 have been written off by the Head of Service in line with the Financial Procedure Rules as unable to collect due to the reasons of, unable to trace, small amounts and deceased payers.

4.10 Six cases totalling £125,858 are submitted in the confidential section of this report for approval for write off by Cabinet as each of the company or person's debt is over the value of £10,000. The reasons for write off are either the companies have been dissolved by Companies House so there are no means to recover the debt or the persons have absconded and despite tracing efforts no forwarding address has been found.

4.11 Eighty five cases totalling £286,380.54 still require further tracing and recovery action or have been referred back to Northgate Public Services for amendment/ reduction in liability or further recovery action.

**In total the debt outstanding from the starting balance has reduced down by £85,784.**

To date we have received approximately **£34,000** in payments from the Enforcement Agent.

### **Council Tax Recovery**

4.12 Due to the high volume of individual Council Tax debts the following actions have been taken:

- With effect from 9 January 2017 the Joint Revenues Service has commenced passing over all appropriate council tax accounts to Enforcement Agents to collect, to date £1,463,066 in debt has been passed over to recover.
- Credit checks been taken to establish forwarding addresses prior to enforcement action for these accounts to ensure higher potential success rates and to reduce complaints from occupants of properties.
- This recovery action follows a statutory procedure in which the Enforcement Agent is required to write to the Council Tax payer confirming the amount of debt owed, the date the liability orders were granted and the financial year for which the liability relates. The council tax payer is given a minimum seven days to respond to this Notice otherwise enforcement action may commence.
- Debts totalling £1,091,060 have either been referred back to Northgate PLC for them to initiate court action or further recovery, amend/reduce the council tax liability or are still awaiting transfer to Enforcement Agents to collect.

**In total the debt outstanding from the starting balance has reduced down by £93,637.83.**

Given the fact that these debts have only recently been referred to the Enforcement Agents on a weekly basis from 9 January 2017 it is anticipated that the income recovery will increase substantially over the coming six months. Over the last four weeks we have received approximately **£6500** from the Enforcement Agents as well as payments direct from customers. We are unable to quantify these at the present time as we are awaiting a bespoke system report.

4.13 Over the past fortnight contact from customers has increased dramatically and we have been making arrangements with customers to clear their debt. When cases are returned from the Enforcement Agents as unable to collect the following actions will be available to take depending on each individual circumstance;

- Attachment to earnings order
- Attachment to benefits order
- Special arrangement.
- Committal to prison
- Bankruptcy
- Write off

### **Costs of collection**

4.14 The Revenues Service has not employed any additional resource to fund this project, but has seconded Chiltern District Council staff onto the project. The total number of hours spent and chargeable rate of this project to date are broken down in as follows:

Officer	Hours spent on project to date	Total cost £
Revenues Operations Manager	55 hours	£1480

Service Development Manager	15 hours	£334
Senior Income Management Officer	55 hours	£899
Income Management Officers	260 hours	£3497
<b>Total</b>		<b>£6210</b>

Other costs in relation to the project are broken down as follows:

Expenditure item	Cost	Total
One off cost Academy software training	£1175 for 6 officers	£1175
Experian credit checks	£1.00 each	£400
One off cost Additional software licenses	£408.00 each for three licences	£1224
Scripts to code outstanding debts		£1900
<b>Total</b>		<b>£4699</b>

4.15 The Enforcement Agents do charge South Bucks District VAT on the debts that they collect, but there is no direct cost to the Council as this is paid in fees by the council tax/business rates debtors. If the debt is unable to be collected by the Enforcement Agent no fees are charged to the Council. By employing Enforcement Agents it does keep the South Bucks District Council costs of collection to a minimum because they are fulfil the administration role of the Council by, taking payments, agreeing arrangements and writing to the debtors in relation to the debts outstanding.

### **Continuation of Project**

4.16 The key areas that that Recovery Project will concentrate on over the next six months are;

- 1) Passing the remaining outstanding housing benefit overpayments to Enforcement Agents to collect.
- 2) Dealing with correspondence and taking further recovery options in respect of council tax and non domestic rates cases.

### **South Bucks District Council Write off requests**

4.17 In accordance with the financial procedures rules Members are requested to consider the write off of six non domestic rates debts that have a balance outstanding of over £10,000 each as set out in the schedule in the confidential appendix. These cases have been picked up by the Joint Revenues Service during the review of outstanding business rates accounts.

## **5. Consultation**

Not applicable

## **6. Options**

To continue with the recovery project in order to maximise the amount of income to South Bucks District Council and other precepting authorities in accordance with the recommendations above.

Write off of debts- There are no further options available other than to write off the debts listed due to the fact that the companies in question no longer exist and the debtors cannot be traced.

## **7. Corporate Implications**

7.1 The continuation of the Shared Service recovery project will maximise the highest possible income for South Bucks District Council and the other precepting authorities and will also highlight any debts that are irrecoverable in order that they be written off at a future stage in order to reduce the high level of arrears outstanding in respect of Council Tax, non domestic rates and housing benefit overpayments.

7.2 In respect of the write off requests the debts described are irrecoverable. However 50% of these amounts will be offset against payments to the non domestic rate pool. There will be a 40% loss of revenue to South Bucks District Council and 10% to Buckinghamshire County Council and Buckinghamshire and Milton Keynes Fire Authority.  
The cost to the Council will be £50,343.04. However there is a provision for this in the accounts.

## **8. Links to Council Policy Objectives**

This report relates to the Council's aim to deliver cost effective customer focused services and to optimise the best use of all resources.

By continuing with the Shared Service recovery project income will be maximised and arrears reduced.

By writing these debts off time will not be wasted pursuing debtors and companies for which there is no possibility of payment.

## **9. Next Steps**

To continue with the pursuit of all outstanding council tax, non domestic rates and housing benefit overpayments.

As a result of the proposed decision the non domestic rate debts outstanding of £125,858 would be written off and the outstanding balance on the account reduced to £zero. The amount written off would be included in future Government returns in order that the Central non domestic Rate pool shared its 50% share of the financial loss.



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<b>SUBJECT:</b>	<i>Treasury Management – Quarterly Report Quarter 3 2016/17</i>
<b>REPORT OF:</b>	<i>Jim Burness, Director of Resources</i>
<b>RESPONSIBLE OFFICER</b>	<i>Helen O'Keeffe, Principal Accountant</i>
<b>REPORT AUTHOR</b>	<i>Helen O'Keeffe, <a href="mailto:hokeeffe@chiltern.gov.uk">hokeeffe@chiltern.gov.uk</a> 01494 732781</i>
<b>WARD/S AFFECTED</b>	<i>All</i>

## 1. Purpose of Report

- 1.1 To report on the Treasury Management operation of the Council for October – December 2016.

### **RECOMMENDATION**

**Members are requested to note the Treasury Management performance for Quarter 3 2016/17.**

## 2. Background

- 2.1 The Council is required to comply with the CIPFA Code of Practice on Treasury Management. The primary requirements of the code are:
- (i) Creation and maintenance of a Treasury Management Policy Statement, which sets out the policies and objectives of the Council's treasury management activities.
  - (ii) Creation and maintenance of Treasury Management Practices, which set out the manner in which the Council will achieve those policies and objectives.
  - (iii) Receipt by the Cabinet and Council of an annual strategy report for the year ahead and an annual review report of the previous year.
  - (iv) The delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

## 3. Quarterly Report on Treasury Management Quarter to December 2016

- 3.1 As a debt free authority the treasury management activities of the Council are exclusively concerned with the investment of its reserves, as the Council does not undertake any borrowing.
- 3.2 The base rate was decreased from 0.5% to 0.25% in August, with the rate having remained at 0.5% since March 2009. There were no changes to the base rate during the quarter.
- 3.3 The total of loans outstanding at the end of the quarter was £23,000,000 detailed in the table below.

UK Institutions	Fitch Credit Rating	Principal £	Interest Rate	Invested	Matures	Length in Days
Standard Life Money Market Fund		5,000,000	Currently 0.30%	On call		
Invesco Money Market Fund		2,000,000	Currently 0.29%	On call		
Lloyds Banking Group	A+					
Fixed Deposit		1,000,000	1.05%	12/05/16	12/05/17	365
Fixed Deposit		1,000,000	1.05%	19/05/16	19/05/17	365
Fixed Deposit		1,000,000	1.05%	02/06/16	02/06/17	365
Fixed Deposit		1,000,000	0.86%	14/07/16	14/03/17	243
Fixed Deposit		1,000,000	1.05%	02/08/16	02/08/17	365
Royal Bank of Scotland	BBB+					
Fixed Deposit		2,000,000	3 mth LIBOR	09/02/15	09/02/18	1096
Fixed Deposit		3,000,000	1.31% then 3 mth LIBOR	09/02/15	09/02/20	1826
Nationwide	A					
Fixed Deposit		1,000,000	0.42%	30/09/16	31/03/17	182
Santander	A					
Fixed Deposit		1,000,000	0.75%	11/11/16	13/11/17	367
Fixed Deposit		2,000,000	0.70%	14/07/16	16/01/17	186
Fixed Deposit		1,000,000	0.45%	30/09/16	30/03/17	181
Close Brothers	A					
Fixed Deposit		1,000,000	1.40%	13/10/15	13/04/17	548
<b>Total Deposits</b>		<b>23,000,000</b>				

3.4 In addition, funds are held on a short term basis for day to day cashflow purposes with our bankers, Barclays. At the end of December £3.010m was held in an instant access account.

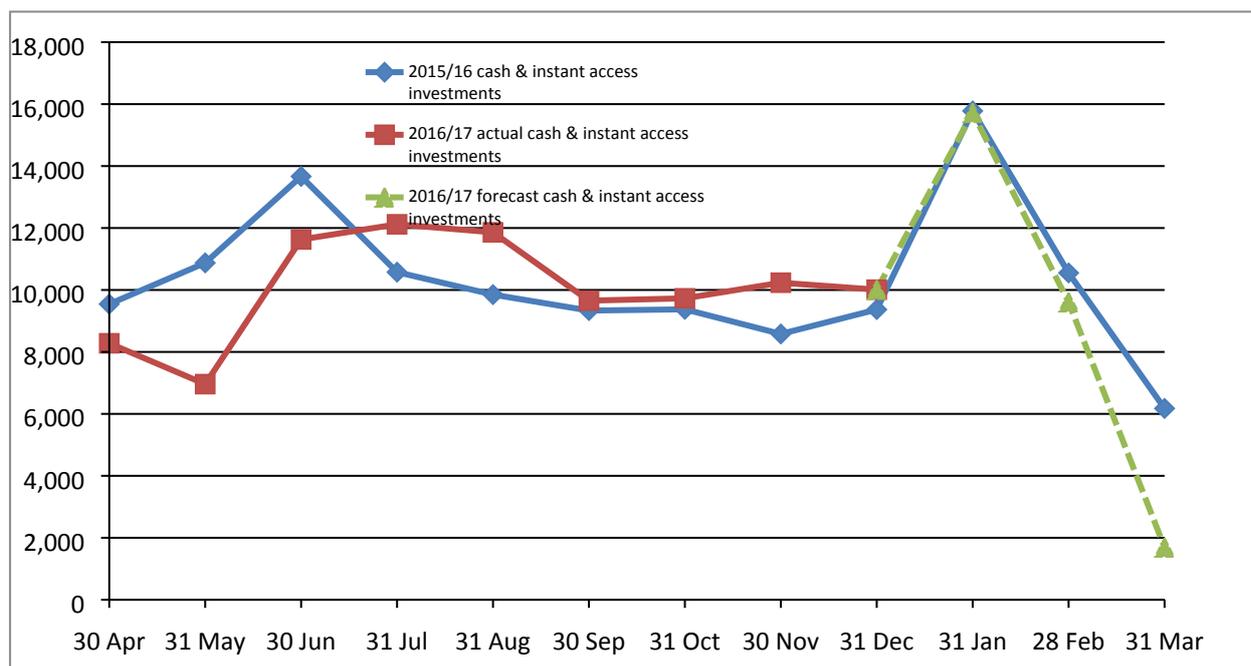
3.5 The following corporate bonds were held at the end of the December 2016, valued as at 30 September 2016:

Bond held	Valuation £	Coupon Interest Rate	Effective Interest Rate	Maturity date
UK Treasury (a)	48,999	8.75%	4.59%	25/08/17
UK Treasury (b)	59,887	8.75%	4.54%	25/08/17
Asif II (a)	102,172	6.38%	5.49%	05/10/20
Asif II (b)	34,058	6.38%	5.33%	05/10/20
Asif II (c)	52,978	6.38%	6.41%	05/10/20
UK Treasury	191,086	8.00%	4.77%	07/06/21
Atlantia SPA (a)	72,155	6.25%	5.65%	09/06/22
Atlantia SPA (b)	112,857	6.25%	5.55%	09/06/22
UK Treasury	75,055	6.00%	4.76%	07/12/28
<b>Total</b>	<b>749,247</b>			

3.6 The weighted average interest rate earned on fixed rate investments in the quarter was 0.96%.

3.7 Capita Asset Services Treasury is engaged by the Council as its Treasury Management consultants providing advice on investment, performance and regulations where necessary.

3.6 The following graph shows how the level of cash and instant access investments fluctuated in 2015/16, and the forecast levels of cash and instant access investments in 2016/17. The purpose of the graph is to illustrate that we always have a sufficient level of cash reserves to meet our immediate short term cash requirements.



#### 4. The Prudential Capital Code – Prudential Indicators

4.1 In accordance with the Prudential Capital Code the Council reviews its Prudential Indicators on a quarterly basis. Movements in the Prudential Indicators for the year 2016/17 to date are as follows:

4.2 Interest rate exposures

The interest rate exposure on investments has moved as follows:

Date	Investments as a % of total	
	Fixed	Variable
31/03/16	82%	18%
30/06/16	74%	26%
30/09/16	71%	29%
31/12/16	71%	29%

This Prudential Indicator sets an upper limit on fixed interest rate exposures of 100% and variable interest rate exposures of 60% of net outstanding principal sums. Exposures have been managed within this limit.

**4.3 Principal sums invested for periods longer than 364 days**

The upper limit for sums invested for periods longer than 364 days is £17m. As at the end of December the figures are as follows:

<b>Date</b>	<b>Total investments (excluding bonds)</b>	<b>Sums invested for greater than 364 days</b>	<b>% of total investments</b>
31/03/16	£16m	£13m	81%
30/06/16	£18m	£13m	72%
30/09/16	£23m	£11m	48%
31/12/16	£23m	£11m	48%

Of the £11m that is invested for greater than 364 days, £5m is for 5 loans for a period between 365 and 367 days. £6m is invested for greater than 367 days. Sums invested reflect the current level of rates that do not incentivise long term cash investments.

**5 Corporate Implications**

5.1 The budgeted income from investments for 2016/17 has been set at £430,000. Investment income earned in the year to December is £238,000. The budget assumed that new medium term investments would achieve an average interest rate of 1.5% and longer term investments would achieve an average interest rate of 3.5%, which has not proved to be achievable. Based on current interest rates the 2016/17 budget will not be met. Current indications are that income from investments will equal approximately £280,000 in 2016/17.

<b>Background Papers:</b>	None
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