Audit Committee

Date: 19 March 2025

Subject: Quarterly Treasury Management Update – 31 December 2024

Report of: Steve Wilson, Group Chief Financial Officer

Purpose of Report

To update Members on treasury management activities during the third quarter of 2024/25.

Recommendations:

Members are requested to:

1. Note the report on treasury activities during the third quarter of 2024/25 and the forecast prudential and treasury indicators in Appendix 1.

Contact Officers

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Report authors must identify which paragraph relating to the following issues:

Equalities Impact, Carbon and Sustainability Assessment:

N/A

Risk Management

There are considerable risks to the security of the GMCA's resources if appropriate Treasury Management strategies and policies are not adopted and followed. The GMCA has established good practice in relation to Treasury Management.

Legal Considerations

This report fulfils the statutory requirements to have the necessary prudential indicators to be included in a Treasury Management Strategy.

Financial Consequences – Revenue

Financial revenue consequences are contained within the body of the report.

Financial Consequences – Capital

Financial capital consequences are contained within the body of the report.

Number of attachments to the report:

None

Comments/recommendations from Overview & Scrutiny Committee

N/A.

Background Papers

Treasury Management Strategy Statement, GMCA 22 March 2024

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

N/A

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction/Background

1.1 The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that Members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Authority is implementing best practice in accordance with the Code.

2. Economics update

2.1 The third quarter of 2024/25 (October 2024 to December 2024) saw:

a) Gross Domestic Product (GDP) growth contracting by 0.1% m/m in October 2024 following no growth in the quarter ending September.

b) The 3myy rate of average earnings growth increase from 4.4% in September 2024 to 5.2% in October 2024.

c) Consumer Price Index (CPI) inflation increase to 2.6% in November 2024.

d) Core CPI inflation increase from 3.3% in October 2024 to 3.5% in November 2024.

e) The Bank of England cut interest rates from 5.0% to 4.75% in November 2024 and hold them steady in December 2024.

f) 10-year gilt yields starting October 2024 at 3.94% before finishing up at 4.57% at the end of December 2024 (peaking at 4.64%).

2.2 The 0.1% m/m fall in GDP in October 2024 was the second such decline in a row and meant that GDP would need to rise by 0.1% m/m or more in November 2024 and December 2024, for the economy to grow in Q4 as a whole rather than contract. With on-going concern over the impact of the October 2024 budget and drags from higher interest rates and weak activity in the euro zone, our colleagues at Capital Economics have revised down their forecast for GDP growth in 2025 to 1.3% (it was initially 1.8% in the immediate wake of the Budget.)

2.3 This quarter saw the composite activity Purchasing Manager Index (PMI) dip below the level of 50 that separates expansion from contraction for the first time since October 2023. Although December 2024's composite PMI came in above this level, at 50.5, this was still consistent with the 0% rise in real GDP in Q3 being followed by a flat-lining, or potential contraction, in the final quarter of 2024. However, the economy is unlikely to be quite as weak as that given that the PMIs do not capture rises in government spending, but the data does underline the continued divergence in trends between the manufacturing and services sectors. The manufacturing PMI fell for its fourth consecutive month in December 2024, from 48.0 in November 2024 to 47.3. That's consistent with manufacturing output falling by 1.5% q/q in the final quarter of 2024 after flatlining through the summer months. This weakness in the manufacturing sector was offset by a rebound in the services sector. The services PMI rose from 50.8 in November 2024 to 51.4 in December 2024, which is consistent with non-retail services output growth increasing from +0.1% q/q to +0.3% for October 2024 – December 2024. This suggests that more of the recent slowdown in GDP is being driven by the weakness in activity overseas rather than just domestic factors. Additionally, the services output prices balance rose for the third consecutive month, from 55.4 in November 2024 to 56.9, showing signs that price pressures are reaccelerating.

2.4 After rising by 1.4% q/q in July 2024 – September 2024, the retail sector had a difficult final quarter of the year. Indeed, the bigger-than-expected 0.7% m/m fall in retail sales in October 2024 (consensus forecast -0.3% m/m) suggested that households' concerns about expected tax rises announced in the Budget on 30 October 2024 contributed to weaker retail spending at the start of the quarter. The monthly decline in retail sales volumes in October 2024 was reasonably broad based, with sales in five of the seven main sub sectors slipping. However, the potential for seasonally adjusted sales to rise in November 2024 - if October 2024's figures were impacted by the timing of the school half term – combined with a rebound in consumer confidence and rising real incomes, points to some promise to the final quarter of 2024.

2.5 The Government's October 2024 budget outlined plans for a significant £41.5bn (1.2% of GDP) increase in taxes by 2029/30, with £25bn derived from a 1.2% rise in employers' national insurance contributions. The taxes are more than offset by a £47bn (1.4% of GDP) rise in current (day-to-day) spending by 2029/30 and a £24.6bn (0.7% of GDP) rise in public investment, with the latter being more than funded by a £32.5bn (1.0% of GDP) rise in public borrowing. The result is that the Budget loosens fiscal policy relative to the previous government's plans - although fiscal policy is still being tightened over the next five years – and that GDP growth is somewhat stronger over the coming years than had previously been forecasted. By way of comparison, the Bank of England forecasts four-quarter GDP growth to pick up to almost 1¾% through 2025 (previously forecast to be 0.9%) before falling back to just over 1% in 2026.

2.6 December 2024's pay data showed a rebound in wage growth that will likely add to the Bank of England's inflationary concerns. The 3myy rate of average earnings growth increased from 4.4% in September 2024 (revised up from 4.3%) to 5.2% in October 2024 (consensus forecast 4.6%) and was mainly due to a rebound in private sector pay growth from 4.6% to 5.4%. Excluding bonuses, public sector pay stagnated in October 2024 and the 3myy rate fell from 4.7% to 4.3%.

2.7 The number of job vacancies also fell again from 828,000 in the three months to October 2024 to 818,000 in the three months to November 2024. This marks the first time it has dropped below its pre-pandemic February 2020 level of 819,000 since May 2021. Despite this, the Bank of England remains concerned about the inflationary influence of high wage settlements as well as the risk of a major slowdown in labour market activity.

2.8 CPI inflation has been on the rise this quarter, with the annual growth rate increasing from 1.7% in September 2024 to 2.3% in October 2024, before rising further to 2.6% in November 2024. Although services CPI inflation stayed at 5.0% in November 2024, the Bank had expected a dip to 4.9%, while the timelier three-month annualised rate of services CPI rose from 5.0% to 5.1%. That shows that there currently isn't much downward momentum. Moreover, the wider measure of core CPI inflation rose from 3.3% to 3.5% in November 2024. Both services and core inflation are currently at rates well above those consistent with the 2.0% target and are moving in the wrong direction. Capital Economics forecast that after dipping to 2.5% in December 2024, CPI inflation will rise further in January 2025, perhaps to 2.8%. Although CPI inflation is expected to be back at close to the 2.0% target by the end of 2025, given that a lot of the rise in inflation in the coming months will be due to base effects that won't persist, the potential for a broader set of tariffs to arise from the United States (US) as well as the constant threat of geo-political factors to impact energy and food prices suggest risks remain very much to the upside.

2.9 Throughout the quarter gilt yields have risen. The 10-year gilt yield increased from 3.94% at the start of October 2024 to 4.57% by the year end (and has subsequently risen to 4.64% early in 2025). As recently as mid-September 2024 10-year gilt yields were at their low for the financial year, but since then, and specifically after the Budget at the end of October 2024, yields have soared. Overall, the reaction to the UK Budget highlights how bond markets are both fragile and highly attentive to news about the fiscal outlook.

2.10 The Financial Times Stock Exchange (FTSE) 100 started off this quarter at 8,276, before finishing up at 8,121. In particular, UK markets have continued to fall further behind US equities, a trend which has accelerated since Trump's election victory in November 2024, partly due to the UK stock market being less exposed to Artificial Intelligence (AI) hype, and it being weighed down by its relatively large exposure to the energy and materials sectors.

2.14 Monetary Policy Committee (MPC) meetings 7 November 2024 and 18 December 2024

a) On 7 November 2024, Bank Rate was cut by 0.25% to 4.75%. The vote was 8-1 in favour of the cut, but the language used by the MPC emphasised "gradual" reductions would be the way ahead with an emphasis on the inflation and employment data releases, as well as geo-political events.

b) At the 18 December 2024 meeting, another split vote arose. Members voted 6-3 to keep Bank Rate on hold at 4.75%, but dissenters (Dhingra, Ramsden and Taylor) were keen for rates to be cut further as concerns over the slowing down of the UK economy took root, despite near-term inflation fears remaining.

c) The MPC again stated that "a gradual approach" to rate cuts "remains appropriate" and that policy will "remain restrictive for sufficiently long".

3. Interest rate forecasts

3.1 The Authority has appointed Mitsubishi UFJ Financial Group (MUFG), formally known as Link Group, as its treasury advisors and part of their service is to assist the Authority to formulate a view on interest rates. The Public Works Loan Board (PWLB) rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012.

3.2 The latest forecast, updated on 11 November 2024, sets out a view that both short and long-dated interest rates will start to fall once it is evident that the Bank of England has been successful in squeezing excess inflation out of the economy, despite a backdrop of stubborn inflationary factors and a tight labour market.

3.3 Following the 30 October 2024 Budget, the outcome of the US Presidential election on 6 November 2024, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7 November 2024, MUFG significantly revised their central forecasts for the first time since May 2024. In summary, the Bank Rate forecast is now 50bps – 75bps higher than was previously the case, whilst the PWLB forecasts have been materially lifted to not only reflect their increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.

3.4 If we reflect on the 30 October 2024 Budget, MUFG's central case is that those policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be 2.7% y/y (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8% y/y.

3.5 The anticipated major investment in the public sector, according to the Bank, is expected to lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

3.6 There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises, and a tepid GDP performance.

3.7 MUFG's central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. They forecast the next reduction in Bank Rate to be made in February 2025 and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November). Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025.

3.8 Regarding their PWLB forecast, the short to medium part of the curve is forecast to remain elevated over the course of 2025, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to digest if the interest rates paid provide sufficient reward for that scenario.

3.9 Moreover, Donald Trump's victory in the US President election paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of any further tax cuts and an expansion of the current US budget deficit.

3.10 Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks abound.

3.11 In summary, regarding PWLB rates, movement in the short-end of the curve is expected to reflect MUFG's Bank Rate expectations to a large degree, whilst medium to longer-dated PWLB rates will remain influenced not only by the outlook for inflation, domestically and globally, but also by the market's appetite for significant gilt issuance (£200bn+ for each of the next few years). As noted at the MUFG November 2024 Strategic Issues webinars, there is upside risk to that part of our forecast despite the Debt Management Office skewing its issuance to the shorter part of the curve.

MUFG Group Interest Rate View 11 November 2024

	Dec 24	Mar 25	Jun 25	Sep 25	Dec 25	Mar 26	Jun 26	Sep 26	Dec 26	Mar 27	Jun 27	Sep 27	Dec 27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

3.7 Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

3.8 The MUFG forecast for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

4. Annual Investment Strategy

4.1 The Treasury Management Strategy Statement (TMSS) for 2024/25, which includes the Annual Investment Strategy, was approved by the Authority on 22 March 2024. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Authority’s investment priorities as being:

a) Security of capital

b) Liquidity

c) Yield

4.2 The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Authority’s risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the MUFG suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

4.3 As shown by the charts below and the interest rate forecasts in section 2, investment rates have remained relatively elevated during the third quarter of 2024/25 but are expected to fall back in due course if inflation falls through 2025 and the MPC loosens monetary policy more substantially.

4.4 Creditworthiness

4.4.1 There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

4.5 Investment counterparty criteria

4.5.1 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

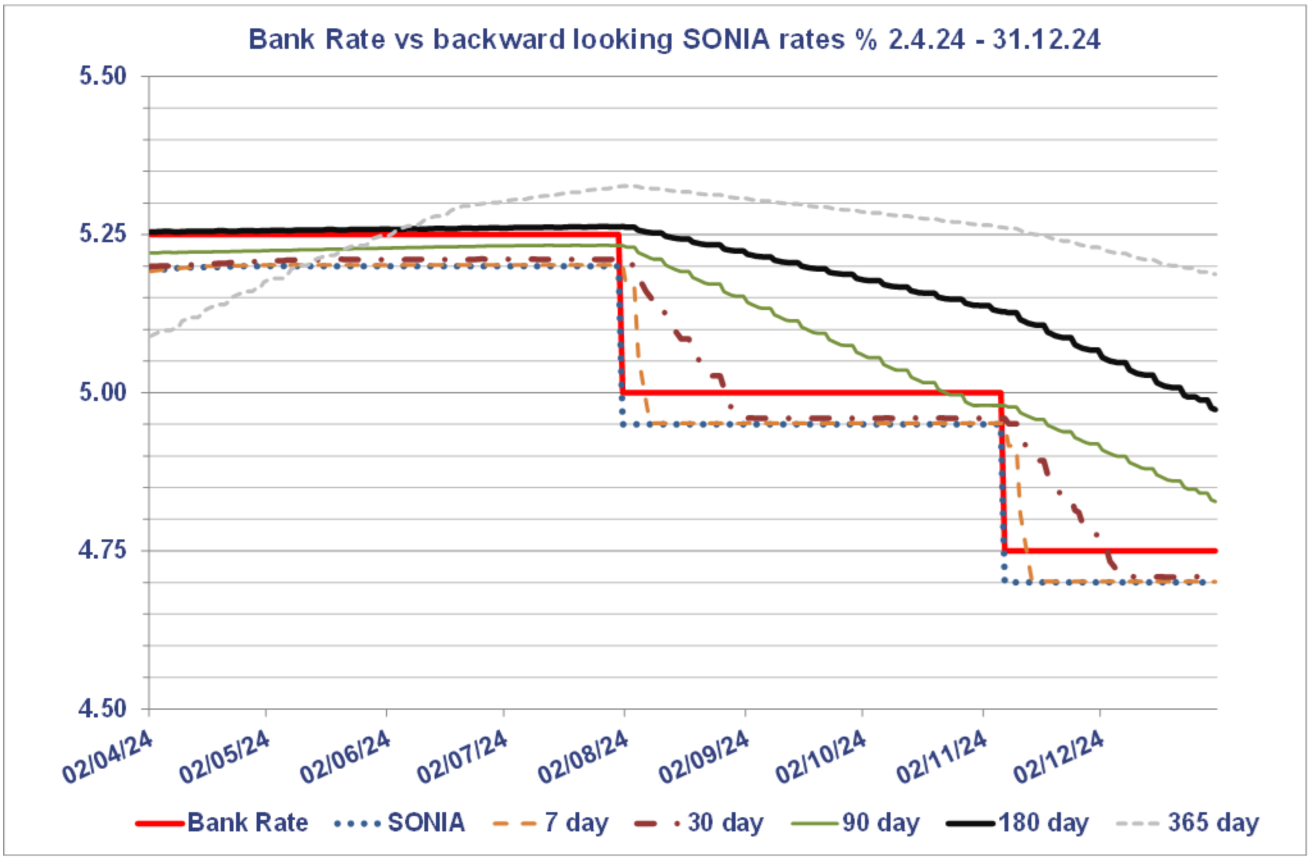
4.6 CDS prices

4.6.1 For UK and International banks, these have remained low, and prices are not misaligned with other creditworthiness indicators, such as credit ratings. Nevertheless, it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

4.7 Investment balances

4.7.1 The average level of funds available for investment purposes during the quarter was £406m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

4.8 Investment performance year to date as of end-December 2024



	Bank Rate	SONIA	7day	30 day	90 day	180 day	365 day
High	5.25	5.20	**5.20**	**5.21**	**5.23**	**5.26**	**5.33**
High Date	2 Apr 2024	3 May 2024	13 May 2024	26 Jun 2024	26 Jul 2024	26 Jul 2024	01 Aug 2024
Low	4.75	4.70	4.70	4.71	4.83	4.97	5.09
Low Date	7 Nov 2024	7 Nov 2024	27 Dec 2024	16 Dec 2024	31 Dec 2024	30 Oct 2024	17 Sep 2024
Average	5.06	5.01	5.02	5.05	5.12	5.20	5.25
Spread	0.50	0.50	0.50	0.50	0.41	0.29	0.24

4.8.1 The Authority achieved an average rate of 5.13% which outperformed the average backward looking SONIA rate by 12 bps. The Authority's budgeted investment return for 2024/25 is £2.257m, and performance for the year to date is £14.206m above budget

4.9 Approved limits

4.9.1 Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 31 December 2024.

4.9.2 A full list of investments held as of 31 December 2024 is in Appendix 2.

5. Borrowing

5.1 Short term borrowing of £20m was undertaken during the quarter ended 31 December 2024. It is anticipated that further short term borrowing will be undertaken during this financial year.

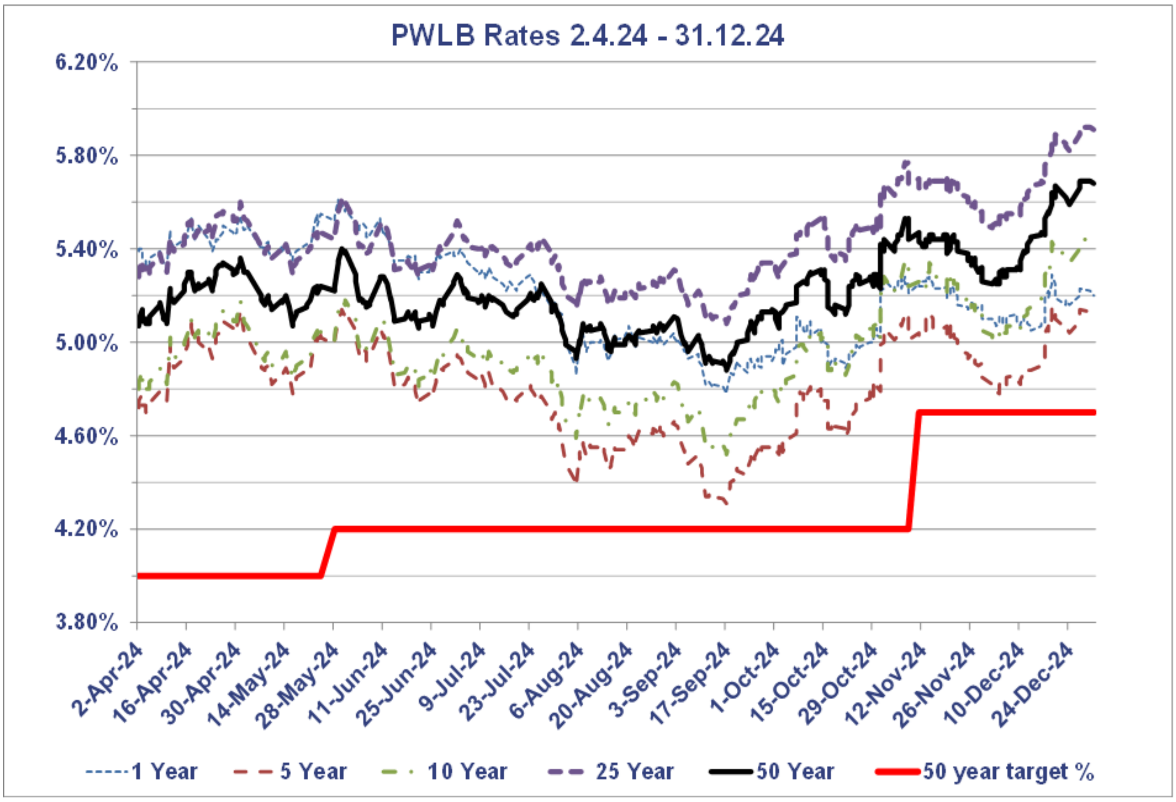
5.2 PWLB maturity Certainty Rates 1 April to 31 December 2024

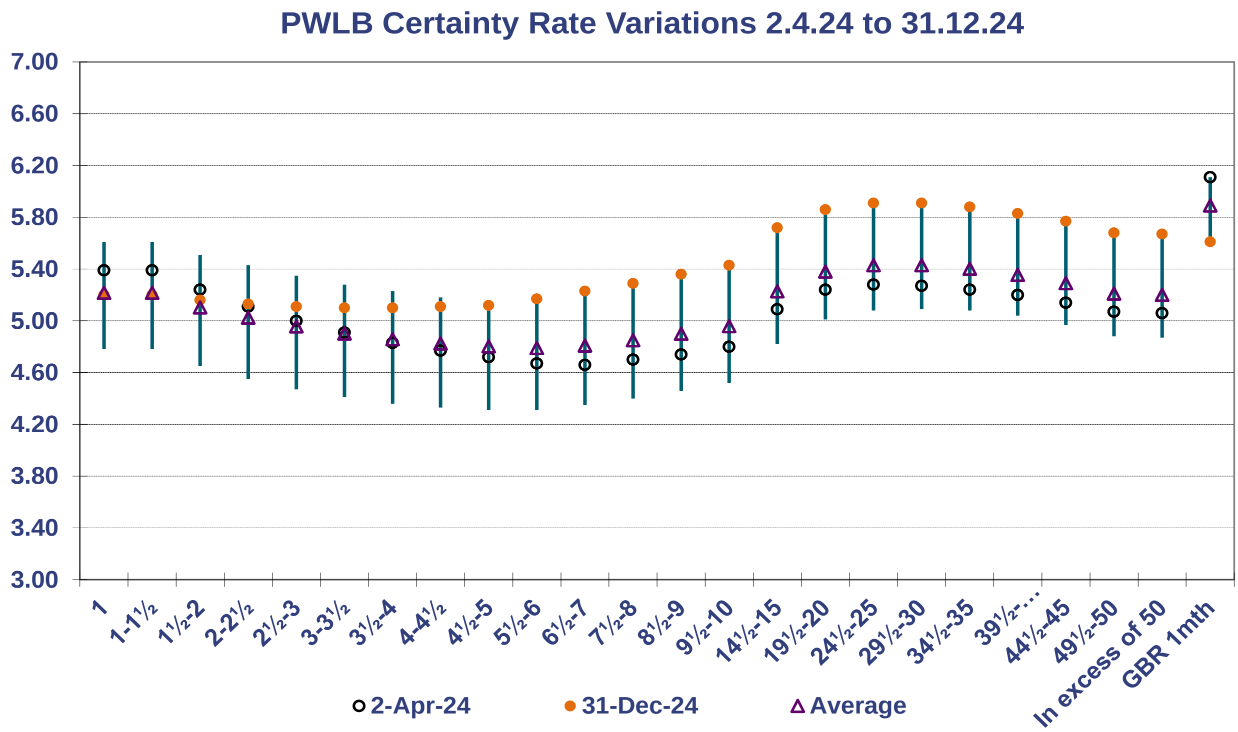
5.2.1 Medium and longer-dated gilt yields, and therein PWLB rates, have moved significantly higher over the course of the financial year, culminating in long-term rates approaching levels last seen in 1998. The rise in medium to long-term yields has arisen because of several factors. Namely, the inflation outlook has become stickier than the market anticipated earlier in the year, with wages remaining somewhat elevated (currently increases are c5% y/y) and the labour market tight (unemployment a little above 4% and job vacancies more than 800,000).

5.2.2 Moreover, the Government has not fully convinced the markets that the UK economy is about to undergo a material increase in productivity and growth. The quarter ending 30 September 2024 saw UK GDP stagnate and the prospects for 2025 are somewhat opaque at present. With the UK public finances seemingly under pressure too (as of 7 January 2025, it is estimated that the Chancellor's October 2024 Budget contingency is less than £1bn following the recent rise in gilt yields), and historic buyers of longer-dated gilts – pension funds and insurance companies – targeting shorter-dated maturities of late, it is not that great a surprise that yields have risen in the longer dates even as the Debt Management Office has sought to issue debt with shorter durations than might normally have been the case.

5.2.3 There is also anecdotal evidence that hedge funds, who are not long-term holders of long-dated debt issuance, as a rule, may be more active in this part of the market than has normally been the case. Their presence, arguably, adds volatility to the equation. Consequently, and pulling all these factors together, and it is clear that any signs of public finance weakness could lead to elevated yields from time to time.

5.2.4 Additionally, US Treasury yields have also risen prior to Donald Trump's inauguration as US President on 20 January 2025. Markets are nervous as to what the effect of deportation, tariff and tax-cutting policies will have on inflation. Given the impact US markets have globally, this is another contributing factor to the near-term rise in UK yields. The hope is that when the "unknowns" become known, markets will behave in a calmer fashion and yields fall back. But that is not certain.


PWLB Rates 2.4.24 - 31.12.24
6.20%
5.80%
5.40%
5.00%
4.60%
4.20%
3.80%
2-Apr-24
16-Apr-24
30-Apr-24
14-May-24
28-May-24
11-Jun-24
25-Jun-24
9-Jul-24
23-Jul-24
6-Aug-24
20-Aug-24
3-Sep-24
17-Sep-24
1-Oct-24
15-Oct-24
29-Oct-24
12-Nov-24
26-Nov-24
10-Dec-24
24-Dec-24
1 Year
5 Year
10 Year
25 Year
50 Year
50 year target %


PWLB Certainty Rate Variations 2.4.24 to 31.12.24
7.00
6.60
6.20
5.80
5.40
5.00
4.60
4.20
3.80
3.40
3.00
1
1-1½
1½-2
2-2½
2½-3
3-3½
3½-4
4-4½
4½-5
5½-6
6½-7
7½-8
8½-9
9½-10
14½-15
19½-20
24½-25
29½-30
34½-35
39½-…
44½-45
49½-50
In excess of 50
GBR 1mth
2-Apr-24
31-Dec-24
Average

High/ Low/ Average PWLB Rates for 2 April 2024 – 31 December 2024

	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2024	5.39%	4.72%	4.80%	5.28%	5.07%
31/12/2024	5.20%	5.12%	5.43%	5.91%	5.68%
Low	4.78%	4.31%	4.52%	5.08%	4.88%
Date	17 Sep 2024	17 Sep 2024	17 Sep 2024	17 Sep 2024	17 Sep 2024
High	5.61%	5.16%	5.44%	5.92%	5.69%
Date	29 May 2024	19 Dec 2024	19 Dec 2024	19 Dec 2024	27 Dec 2024
Average	5.22%	4.80%	4.96%	5.43%	5.21%
Spread	0.83%	0.85%	0.92%	0.84%	0.81%

6. Debt rescheduling

6.1 Debt rescheduling opportunities have remained a possibility in the current quarter for those authorities with significant surplus cash and a flat or falling Capital Financing Requirement in future years. Members will be advised if there is value to be had by rescheduling or repaying a part of the debt portfolio.

7. Compliance with Treasury and Prudential Limits

7.1 The prudential and treasury Indicators are shown in Appendix 1.

7.2 It is a statutory duty for the Authority to determine and keep under review the affordable borrowing limits. During the quarter ended 31 December 2024, the Authority has operated within the treasury and prudential indicators set out in the Authority’s Treasury Management Strategy Statement for 2024/25. The Group Chief Financial Officer reports that no difficulties are envisaged for the current or future years in complying with these indicators.

7.3 All treasury management operations have also been conducted in full compliance with the Authority's Treasury Management Practices.

APPENDIX 1: Prudential and Treasury Indicators for 2024/25 as at 31 December 2024

Treasury Indicators	2024/25 Budget	2024/25 Forecast
Authorised limit for external debt	£2,683.021m	£2,723.269m
Operational boundary for external debt	£2,556.622m	£2,605.866m
Gross external debt as at 31 March 2025	£1,344.134m	£1,407.105m
Investments as at 31 March 2025	£50.000m	£50.000m
Net borrowing as at 31 March 2025	£1,294.134m	£1,357.105m

Prudential Indicators	2024/25 Budget	2024/25 Forecast
Capital expenditure	£722.758m	£664.953m
Capital Financing Requirement (CFR)	£2,527.977m	£2,447.203m
Annual change in CFR	£53.325m	£32.1479m
In year borrowing requirement	£155.750m	£124.587m
Ratio of financing costs to net revenue stream	15.4%	7.8%

APPENDIX 2: Investment Portfolio

Investments held as of 31 December 2024 compared to our counterparty list:

Institution	Instrument Type	Start	Maturity	Yield	Principal
Barclays Bank PLC (NRFB)	Call (Instant Access)			4.15%	£7,395,000
TfGM	Call (Instant Access)			0.00%	£129,906,000
Debt Management Office	Fixed Term Deposit	23/12/2024	02/01/2025	4.70%	£24,450,000
Aberdeen City Council	Fixed Term Deposit	07/08/2024	07/02/2025	4.80%	£5,000,000
Cornwall County Council	Fixed Term Deposit	01/10/2024	03/01/2025	4.87%	£15,000,000
Denbighshire County Council	Fixed Term Deposit	22/10/2024	21/02/2025	5.05%	£5,000,000
Kingston upon Hull City Council	Fixed Term Deposit	08/10/2024	02/01/2025	4.95%	£10,000,000
Kingston upon Hull City Council	Fixed Term Deposit	31/10/2024	28/02/2025	5.00%	£15,000,000
Liverpool City Council	Fixed Term Deposit	27/09/2024	02/01/2025	4.95%	£10,000,000
Stockport MBC	Fixed Term Deposit	21/10/2024	06/01/2025	4.95%	£15,000,000
Wirral Borough Council	Fixed Term Deposit	01/10/2024	02/01/2025	4.90%	£5,000,000
Lloyds Bank PLC (RFB)	Fixed Term Deposit	07/10/2024	28/02/2025	4.85%	£7,500,000
NatWest Markets PLC (NRFB)	Fixed Term Deposit	07/08/2024	07/02/2025	4.81%	£10,000,000
NatWest Markets PLC (NRFB)	Fixed Term Deposit	07/08/2024	07/01/2025	4.83%	£10,000,000
SMBC Bank International PLC	Fixed Term Deposit	30/08/2024	28/02/2025	4.92%	£5,000,000
SMBC Bank International PLC	Fixed Term Deposit	30/09/2024	27/01/2025	4.88%	£8,800,000
Standard Chartered Bank	Fixed Term Deposit	07/08/2024	07/01/2025	4.83%	£10,000,000
Banks and Local Authorities					**£293,051,000**
MMF CCLA	Money Market Fund			4.67%	£21,500,000
MMF Aviva	Money Market Fund			4.75%	£25,000,000
MMF Federated Investors (UK)	Money Market Fund			4.76%	£25,000,000
MMF Aberdeen	Money Market Fund			4.77%	£25,000,000
MMF Blackrock	Money Market Fund			4.76%	£8,470,000
Money Market Funds					**£104,970,000**
Total					**£398,021,000**

APPENDIX 3: Approved countries for investments as of 31 December 2024

Based on lowest available rating

AAA

a) Australia
b) Denmark
c) Germany
d) Netherlands
e) Norway
f) Singapore
g) Sweden
h) Switzerland

AA+

a) Canada
b) Finland
c) U.S.A.

AA

a) Abu Dhabi (UAE)
b) Qatar

AA-

a) Belgium
b) France
c) U.K.