

**The current position**

1. Short term investments continue, in the main, to be with money market funds and reserve accounts which offer, in most cases, instant access and competitive rates ranging between 0.59% and 1.03%. Some longer term investments have been arranged for periods ranging between 6 months and 15 months at rates ranging between 0.95% and 2.65%. Outstanding investments at the time of this report total £102.5m, representing a fall of around £14m since the beginning of the financial year which is in line with the current strategy of using maturing investments to fund cash flow.
2. The attached performance report (short term investments) shows a return on investments for the year to date of 1.44% being 0.97% above the Council's benchmark of 0.47% (latest estimate for the financial year is 1.35%). The out-performance is partly due to longer term investments arranged in previous years at rates considerably higher than those currently prevailing, though these have all matured now, along with the effect of the longer term rates for new investments this year mentioned above.
3. No additional borrowing has been undertaken during the financial year.
4. Credit ratings are kept under constant review and options for longer term investments are extremely limited due to adverse credit ratings on many institutions which has led to either their removal from the Council's lending list or a downgrading in exposure limits.