

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY & FINANCE COMMITTEE

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Meeting date: 18 JANUARY 2022  
title: TREASURY MANAGEMENT MONITORING 2021/22  
submitted by: DIRECTOR OF RESOURCES  
principal author: VALERIE TAYLOR

### 1 PURPOSE

- 1.1 To provide you with a monitoring report on our treasury management activities for the period 1 April 2021 to 31 December 2021.
- 1.2 Relevance to the Council's ambitions and priorities:
  - In accordance with the corporate strategy priority -“to ensure a well-managed Council, by maintaining critical financial management and controls.” This report provides members with information regarding the treasury management activities for the period.
- 1.3 In accordance with our treasury management policy, committee receive regular monitoring reports on treasury management activities throughout the financial year.

### 2 BACKGROUND

- 2.1 Treasury management within an organisation is the *‘management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks’*
- 2.2 The council's approach to treasury management is set out in its ‘Treasury Management Policies and Practices’ document which governs the way that investments and cashflows are managed. It is reviewed annually to ensure continued compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice.
- 2.3 Treasury Management Policies and Practices were reviewed in advance of the 2021/22 financial year, and were approved by this committee in March 2021 prior to full council in April 2021.

### 3 TEMPORARY INVESTMENTS

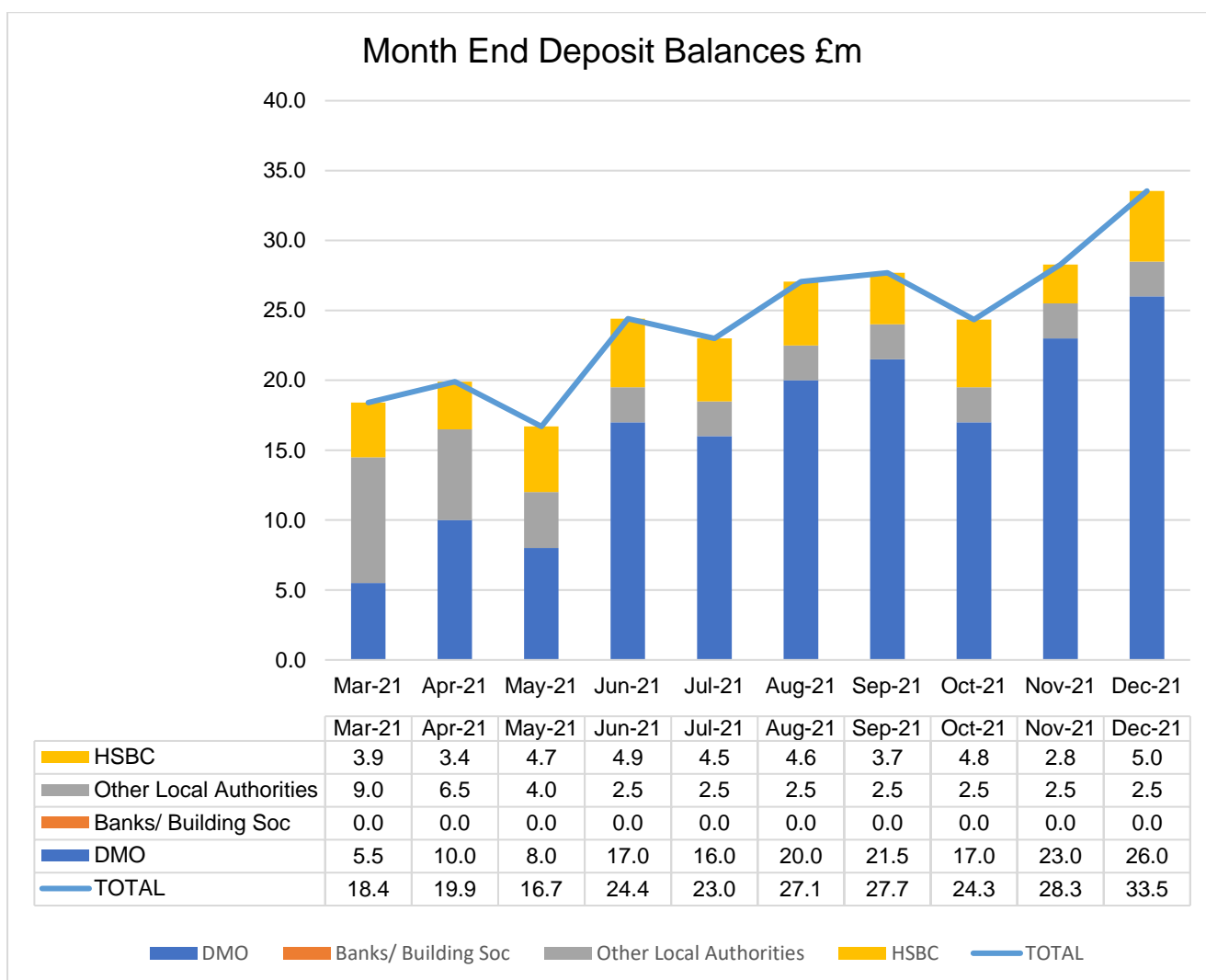
- 3.1 In accordance with the approved treasury management policies and practices, surplus funds are temporarily invested via the money market at the best rate of interest available and with the minimisation of risk to the capital sum. Investment decisions continue to be primarily concerned with the security of the funds invested and ongoing liquidity to meet financial commitments.
- 3.2 The movement in the Council's external investments during the reporting period are summarised below:

	<b>Banks/ Building Societies £000</b>	<b>DMO £000</b>	<b>Other Local Authorities £000</b>	<b>Total £000</b>
Monies Invested at 1 April 2021	0	5,500	9,000	14,500
Net Movement	0	20,500	-6,500	14,000
<b>Fixed term deposits at 31 December 2021</b>	<b>0</b>	<b>26,000</b>	<b>2,500</b>	<b>28,500</b>
<b>Add funds held with HSBC</b>	<b>5,042</b>	<b>0</b>	<b>0</b>	<b>5,042</b>
<b>Sum of all funds invested</b>				<b>33,542</b>
<b>Interest earned April – December 2021</b>				<b>3</b>

3.3 Funds invested at 31 December were held with the following organisations:

<b>Borrower</b>	<b>Date Invested</b>	<b>Date of Repayment</b>	<b>Rate %</b>	<b>£'000</b>
Aberdeen City Council	22/12/2021	22/03/2022	0.09%	2,500
Debt Management Office (DMO)	20/12/2021	05/01/2022	0.005%	10,000
	20/12/2021	10/01/2022	0.02%	15,000
	23/12/2021	04/01/2022	-0.10%	1,000
<b>SUM of fixed term deposits</b>				<b>28,500</b>
<b>Add funds held with HSBC</b>				<b>5,042</b>
<b>SUM of all investments at 31<sup>st</sup> December 2021</b>				<b>33,542</b>

3.4 A detailed listing of investments placed and repaid during the reporting period is available in Annex 1. A summary of end of month balances is shown below:



#### 4 INTEREST ON INVESTMENTS

4.1 The Bank of England base rate reduced to 0.10% in March 2020 where it remained for the period up to the 16 December when the rate was increased to 0.25%:

Official Base Rate	
Date of change	%
02 August 2018	0.75
11 March 2020	0.25
19 March 2020	0.10
16 December 2021	0.25

4.2 The total interest earned on investments between April and December 2021 was £2,878 compared to £32,136 for the same period in 2020.

4.3 The council has once again started accruing interest on balances held with HSBC, the council's banking provider, as the rate payable tracks at 0.10% below the base rate.

## 5 COUNTERPARTY LIMITS

- 5.1 Counterparty limits are set out in the council's Treasury Management Policies and Practices document and are approved by this Committee in advance of the financial year. The decision to vary the limits if required is delegated to the Director of Resources under schedule D of this document.
- 5.2 The ordinary maximum amount to be placed with the Debt Management Office (DMO) in total as set out in these Policies and Practices is £5m, and the ordinary limit for HSBC, the council's banking provider, is £1.75m.
- 5.3 The DMO is an Executive Agency of Her Majesty's Treasury, responsible for debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds. As such this highly secure facility has been the council's preferred option for the depositing of short-term cash funds throughout the coronavirus pandemic, in accordance with the primary objectives of security and liquidity.
- 5.4 Counterparty limits are regularly reviewed by the Director of Resources. They have been temporarily varied throughout the coronavirus pandemic as follows:

Organisation	Ordinary Counterparty Limit	Limit following review by Director of Resources	Date of change
Debt Management Office (DMO)	£5m	£25m £30m	27 March 2020 23 December 2021
HSBC <i>(the council's banking provider)</i>	£1.75m	£5m £6m	27 March 2020 23 December 2021
Other banks and building societies	£1.75m	£1.75m	No change
Local Authorities	£2.5m	£2.5m	No change

- 5.5 As shown above, counterparty limits were increased for the DMO and HSBC in December 2021. Cash held by the council is higher at this time of the year due to timing differences between the receipt of funds and the payment of liabilities, mainly in respect of council tax and business rate receipts and the payment of precepts. There was also a risk that limits may be breached when grant funds are received from central government for distribution to businesses impacted by the omicron variant, with the amount and date of receipt unknown.
- 5.6 Counterparty limits will be reviewed through January to March as cash balances are forecast to reduce throughout this period.

## 6 LOCAL GOVERNMENT BONDS AGENCY

- 6.1 The Council has one longer-term investment of £10,000 which was placed with the Local Government Bonds Agency in 2014. The agency is a freestanding independent body that is owned by the local government sector with the purpose of raising money efficiently on the capital markets at regular intervals to on-lend to participating bodies.
- 6.2 The contribution that we have invested will be returned to us after 10 years of successful operations of the agency, together with interest which will be earned at commercial rates.

## 7 BORROWING

- 7.1 Changes to the Bank of England base rate only impact on the amount of interest received on our temporary investments as all interest payable on the Council's long-term loan debt from the Public Works Loan Board (PWLB) is at fixed interest rates.
- 7.2 Principal local authorities previously could qualify for a discounted rate by submitting an optional Certainty Rate return. Since November 2020, principal local authorities have been required to submit a Certainty Rate return, that includes a high level description of their capital spending and financing plans for the following three years, as a condition of accessing the PWLB.
- 7.3 As a result, the Certainty Rate is now the default rate that principal local authorities borrow at. The council has submitted the required information and retains access to the PWLB borrowing facility.

## 8 BORROWING REQUIREMENTS

- 8.1 There has been a reduction in the Council's level of external borrowing during the period following payment of the half yearly instalment to the PWLB in September:

	Total £000
External Debt at 1 April 2021	115
Transactions - New Loans	0
- Repayments	-5
<b>External debt at 31<sup>st</sup> December 2021</b>	<b>110</b>

- 8.2 No temporary loans were taken out in the current financial period up to 31<sup>st</sup> December 2021, or in the same period in 2020.

## 9 PRUDENTIAL INDICATORS

- 9.1 Local authorities in England and Wales are required by the Local Government Act 2003 to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities.
- 9.2 In March 2021 this Committee approved a combined Capital and Treasury Management Strategy for 2021/ 2022 which includes a number of prudential indicators.
- 9.3 These prudential indicators are designed to deliver accountability in taking capital financing, borrowing and treasury management decisions.
- 9.4 The treasury management specific indicators which form part of the prudential code are the following:
- **Authorised limit for external debt**  
This sets a limit on the amount of external borrowing that reflects a level of borrowing, which while not desired, could be afforded but may not be sustainable. It is the upper limit on the level of gross external indebtedness, which must not be breached without council approval. It is the **worse-case scenario**.

- **Operational boundary for external debt**

This indicator focuses on the day-to-day treasury management activity within the Council and reflects the most likely prudent but not worse-case scenario. Any sustained breaches to this boundary would give an indication that the Council may be in danger of stepping beyond the prudential boundaries it has set itself.

9.5 The Council's actual long-term debt at 31 December 2021 compared to the approved authorised limit and operational boundary indicators is as follows:

<b>Prudential Indicator</b>	<b>Authorised Limit £000's</b>	<b>Operational Boundary £000's</b>	<b>Actual as at 31<sup>st</sup> December 2021 £000's</b>
Borrowing	15,992	2,817	110
Other Long-Term liabilities	0	0	0

9.6 The Treasury Management code requires that where an authority invests, or plans to invest, for periods of longer than one year that an upper limit for investments maturing in excess of this timeframe is set. This council currently has a policy of not investing for periods of longer than one year and so no upper limits have been set and no investments have been made in the reporting period for longer than 365 days.

## 10 APPROVED ORGANISATIONS

10.1 Principally, Fitch credit ratings are used as an indication of the probability of organisations defaulting on our investments. Definitions for the ratings are provided at Annex 2.

10.2 The ratings show an indication of the current credit position and are monitored on a regular basis with any significant changes to be reported to this committee. Prior to investing any monies on a day to day basis the ratings given by rating agents S&P Global Ratings and Moody's are also monitored and considered alongside the Fitch ratings. The full list of ratings for our approved institutions at 31 December 2021 is shown at Annex 3.

10.3 Investments with Building Societies are limited to the top eight building societies based on their total assets (provided they are included in Fitch ratings). Two of the top building societies do not currently have a Fitch rating, leaving the top six building societies based on their total assets:

<b>Name</b>	<b>Fitch Rating</b>		
	<b>Full Transaction Review Date</b>	<b>Long Term</b>	<b>Short Term</b>
Nationwide	05/07/2021	A	F1
Yorkshire	17/11/2021	A-	F1
Coventry	17/11/2021	A-	F1
Skipton	17/11/2021	A-	F1
Leeds	17/11/2021	A-	F1
Principality	17/11/2021	BBB+	F2

- 10.4 The banks we use are reviewed annually as part of the Treasury Management Practices to take into account their Fitch IBCA long-term and short-term credit rating. The Council has a policy to only use institutions with a short-term Fitch rating of F2 or above. The banks on the Council's approved list meeting this requirement at 31 December 2021 are as follows:

Name	Fitch's Full Transaction Review Date	Long Term	Short Term
Santander UK Plc	05/07/2021	A+	F1
Barclays Bank Plc	13/10/2021	A+	F1
Bank of Scotland Plc	05/07/2021	A+	F1
HSBC Bank Plc	12/10/2021	AA-	F1+
Lloyds Bank Plc	05/07/2021	A+	F1
National Westminster Bank Plc	05/07/2021	A+	F1
Royal Bank of Scotland Plc (The)	05/07/2021	A+	F1

- 10.5 In addition to the building societies and banks we use for investments, also approved for use are other Local Authorities and the United Kingdom Debt Management Office, where the Government guarantees investments.

## 11 RECENT EVENTS

- 11.1 Twelve-month CPI inflation rose from 3.1% in September to 5.1% in November. At its meeting in December 2021 the Bank of England's Monetary Policy Committee (MPC) voted by a majority of 8-1 to increase the Base Rate by 0.15 percentage points, to 0.25%.
- 11.2 MPC minutes from the December meeting state that '*Bank staff expect inflation to remain around 5% through the majority of the winter period, and to peak at around 6% in April 2022*'. In response to rising inflation it is likely in the short term that interest rates will continue to rise. By how much and for how long is unknown.
- 11.3 The inter authority cash market remains sedentary, meaning that we have not had any recent further opportunities to invest with other local authorities. By maintaining liquid funds the council retains the ability to take advantage of future secure investment opportunities at potentially beneficial rates with other local authorities as they arise.

## 12 EXPOSURE TO RISK

- 12.1 The coronavirus pandemic continues to create risks, uncertainties and challenges for treasury operations. We continue to maintain liquid funds in our cash management activities to enable the timely distribution of coronavirus grant payments as applications for local support are received. Counterparty limits are amended as required and secure home working facilities remain in place to maintain business continuity through potential periods of officer self-isolation.
- 12.2 With the risks surrounding the impact of COVID-19 on the economy and the council's cashflows, it is imperative that we continue to protect the Council's principal sums invested and closely monitor liquidity in order to minimise exposure to risks in an uncertain environment.

12.3 To ensure our exposure is limited as far as possible, we continue with the following measures:

- Daily early morning discussions concerning the latest position:
- Lending arrangements
- A review of the Markets
- A review of our current investments and whether we consider they are still safe
- Institution Ratings
- Close monitoring of our cash flow position and estimates
- Authorisation prior to investments with either the Director of Resources or the Head of Financial Services
- Keep Leader/Chief Executive informed of any developments when necessary
- Look to arrange new secure options for investments as necessary.

### 13 CONCLUSION

13.1 Through the careful investment of sums in line with the Council's strategy the level of risk to our investments has been kept to a minimum.

13.2 Due to the continued uncertainty in the global economy, a prudent approach continues to be followed in the investment of any surplus cash balances on a day to day basis, ensuring continued liquidity and security of the council's investments.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF1-22/VT/AC

6 January 2022

For further information please ask for Valerie Taylor



**POLICY AND FINANCE COMMITTEE  
TEMPORARY INVESTMENT ACTIVITY 2021/22**

**ANNEX 1**

Reference	Organisation	Invested £	Date invested	Interest rate	Date of maturity	Interest £	Principal Repaid £	Long Term Rating	Short Term Rating
<b>Investments brought forward into 2021/22</b>									
11/3	Ashford Borough Council	2,500,000	19/01/2021	0.03%	19/04/2021	-184.93	-2,500,000	n/a	n/a
<i>Less interest accrued during 2020/21</i>						147.95			
51	Telford & Wrekin Council	2,500,000	11/02/2021	0.03%	11/05/2021	-182.88	-2,500,000	n/a	n/a
<i>Less interest accrued during 2020/21</i>						100.68			
56	Uttlesford District Council	1,500,000	05/03/2021	0.10%	07/06/2021	-386.30	-1,500,000	n/a	n/a
<i>Less interest accrued during 2020/21</i>						110.96			
18/4	Aberdeen City Council	2,500,000	22/03/2021	0.10%	22/06/2021	-630.14	Rolled over to 18/5	n/a	n/a
<i>Less interest accrued during 2020/21</i>						68.49			
62	Debt Management Office	5,500,000	29/03/2021	-0.01%	06/04/2021	12.05	-5,500,000	n/a	n/a
<i>Less interest accrued during 2020/21</i>						-4.52			
<b>Investments placed April - December 2021</b>									
1	Debt Management Office	11,000,000	06/04/2021	0.01%	12/04/2021	-18.08	-11,000,000	n/a	n/a
2	Debt Management Office	5,000,000	12/04/2021	0.01%	19/04/2021	-9.59	-5,000,000	n/a	n/a
3	Debt Management Office	4,500,000	12/04/2021	0.01%	16/04/2021	-4.93	-4,500,000	n/a	n/a
4	Debt Management Office	1,000,000	15/04/2021	0.01%	16/04/2021	-0.27	-1,000,000	n/a	n/a
5	Debt Management Office	5,000,000	19/04/2021	0.01%	20/04/2021	-1.37	-5,000,000	n/a	n/a
6	Debt Management Office	5,000,000	20/04/2021	0.01%	26/04/2021	-8.22	-5,000,000	n/a	n/a

**POLICY AND FINANCE COMMITTEE  
TEMPORARY INVESTMENT ACTIVITY 2021/22**

Reference	Organisation	Invested £	Date invested	Interest rate	Date of maturity	Interest £	Principal Repaid £	Long Term Rating	Short Term Rating
7	Debt Management Office	5,000,000	26/04/2021	0.01%	04/05/2021	-10.96	-5,000,000	n/a	n/a
8	Debt Management Office	5,000,000	30/04/2021	0.01%	04/05/2021	-5.48	-5,000,000	n/a	n/a
9	Debt Management Office	9,000,000	04/05/2021	0.01%	10/05/2021	-14.79	-9,000,000	n/a	n/a
10	Debt Management Office	9,000,000	10/05/2021	0.01%	17/05/2021	-17.26	-9,000,000	n/a	n/a
11	Debt Management Office	2,500,000	11/05/2021	0.01%	17/05/2021	-4.11	-2,500,000	n/a	n/a
12	Debt Management Office	13,000,000	17/05/2021	0.01%	24/05/2021	-24.93	-13,000,000	n/a	n/a
13	Debt Management Office	8,000,000	24/05/2021	0.01%	01/06/2021	-17.53	-8,000,000	n/a	n/a
14	Debt Management Office	5,000,000	24/05/2021	0.01%	25/05/2021	-1.37	-5,000,000	n/a	n/a
15	Debt Management Office	13,000,000	01/06/2021	0.02%	07/06/2021	-42.74	-13,000,000	n/a	n/a
16	Debt Management Office	13,000,000	07/06/2021	0.02%	14/06/2021	-49.86	-13,000,000	n/a	n/a
17	Debt Management Office	13,500,000	14/06/2021	0.02%	21/06/2021	-51.78	-13,500,000	n/a	n/a
18/5	Aberdeen Council	Rolled over from 18/4	22/06/2021	0.04%	22/12/2021	-501.37	Rolled over to 18/6	n/a	n/a
19	Debt Management Office	13,000,000	21/06/2021	0.02%	28/06/2021	-49.86	-13,000,000	n/a	n/a
20	Debt Management Office	4,000,000	28/06/2021	0.01%	01/07/2021	-3.29	-4,000,000.00	n/a	n/a
21	Debt Management Office	13,000,000	28/06/2021	0.01%	05/07/2021	-24.93	-13,000,000.00	n/a	n/a
22	Debt Management Office	1,000,000	01/07/2021	0.01%	05/07/2021	-1.10	-1,000,000.00	n/a	n/a
23	Debt Management Office	14,000,000	05/07/2021	0.01%	12/07/2021	-26.85	-14,000,000.00	n/a	n/a
24	Debt Management Office	14,000,000	12/07/2021	0.01%	19/07/2021	-26.85	-14,000,000.00	n/a	n/a
25	Debt Management Office	14,500,000	19/07/2021	0.01%	26/07/2021	-27.81	-14,500,000.00	n/a	n/a

**POLICY AND FINANCE COMMITTEE  
TEMPORARY INVESTMENT ACTIVITY 2021/22**

Reference	Organisation	Invested £	Date invested	Interest rate	Date of maturity	Interest £	Principal Repaid £	Long Term Rating	Short Term Rating
26	Debt Management Office	16,000,000	26/07/2021	0.01%	02/08/2021	-30.68	-16,000,000	n/a	n/a
27	Debt Management Office	4,000,000	02/08/2021	0.01%	06/08/2021	-4.38	-4,000,000	n/a	n/a
28	Debt Management Office	16,000,000	02/08/2021	0.01%	09/08/2021	-30.68	-16,000,000	n/a	n/a
29	Debt Management Office	16,000,000	09/08/2021	0.01%	16/08/2021	-30.68	-16,000,000	n/a	n/a
30	Debt Management Office	16,000,000	16/08/2021	0.01%	23/08/2021	-30.68	-16,000,000	n/a	n/a
31	Debt Management Office	17,000,000	23/08/2021	0.01%	31/08/2021	-37.26	-17,000,000	n/a	n/a
32	Debt Management Office	20,000,000	31/08/2021	0.01%	06/09/2021	-32.88	-20,000,000	n/a	n/a
33	Debt Management Office	1,000,000	03/09/2021	0.01%	06/09/2021	-0.82	-1,000,000	n/a	n/a
34	Debt Management Office	21,000,000	06/09/2021	0.01%	13/09/2021	-40.27	-21,000,000	n/a	n/a
35	Debt Management Office	3,000,000	13/09/2021	0.01%	14/09/2021	-0.82	-3,000,000	n/a	n/a
36	Debt Management Office	18,000,000	13/09/2021	0.01%	20/09/2021	-34.52	-18,000,000	n/a	n/a
37	Debt Management Office	17,000,000	20/09/2021	0.01%	27/09/2021	-32.60	-17,000,000	n/a	n/a
38	Debt Management Office	17,000,000	27/09/2021	0.01%	30/09/2021	-13.97	-17,000,000	n/a	n/a
39	Debt Management Office	21,500,000	30/09/2021	0.01%	11/10/2021	-64.79	-21,500,000	n/a	n/a
40	Debt Management Office	22,000,000	11/10/2021	0.01%	20/10/2021	-54.25	-22,000,000	n/a	n/a
41	Debt Management Office	17,000,000	20/10/2021	0.01%	21/10/2021	-4.66	-17,000,000	n/a	n/a
42	Debt Management Office	17,000,000	21/10/2021	0.01%	01/11/2021	-51.23	-17,000,000	n/a	n/a
43	Debt Management Office	22,000,000	01/11/2021	0.01%	22/11/2021	-126.58	-22,000,000	n/a	n/a
44	Debt Management Office	2,000,000	15/11/2021	0.00%	20/12/2021	0.00	-2,000,000	n/a	n/a

**POLICY AND FINANCE COMMITTEE  
TEMPORARY INVESTMENT ACTIVITY 2021/22**

Reference	Organisation	Invested £	Date invested	Interest rate	Date of maturity	Interest £	Principal Repaid £	Long Term Rating	Short Term Rating
45	Debt Management Office	4,000,000	22/11/2021	-0.01%	25/11/2021	3.29	-4,000,000	n/a	n/a
46	Debt Management Office	18,000,000	22/11/2021	0.02%	20/12/2021	-276.16	-18,000,000	n/a	n/a
47	Debt Management Office	3,000,000	30/11/2021	-0.03%	20/12/2021	49.32	-3,000,000	n/a	n/a
48	Debt Management Office	10,000,000	20/12/2021	0.005%	05/01/2022	-15.07	still invested	n/a	n/a
49	Debt Management Office	15,000,000	20/12/2021	0.02%	10/01/2022	-90.41	still invested	n/a	n/a
18_6	Aberdeen Council	Rolled over from 18/5	22/12/2021	0.09%	22/03/2022	-55.48	still invested	n/a	n/a
50	Debt Management Office	1,000,000	23/12/2021	-0.10%	04/01/2022	21.92	still invested	n/a	n/a
<b>Investments to December 2021</b>		<b>535,500,000</b>			<b>SUM</b>	<b>-1,929.67</b>	<b>-509,500,000</b>		
<b>Total Investments 2021/22 (including b/f from 2020/21)</b>		<b>550,000,000</b>			<b>SUM incl b/f</b>	<b>-2,878.31</b>	<b>-521,500,000</b>		
<b>Interest received on balances held at bank</b>						<b>0.00</b>			
<b>Total Investments 2021/22 (including b/f from 2020/21)</b>		<b>550,000,000</b>			<b>SUM incl b/f</b>	<b>-2,878.31</b>	<b>-521,500,000</b>		

## Fitch Rating Definitions

<b>Fitch Rating Definitions</b>	
<b>International Long-Term Credit Ratings</b>	
Long-term credit rating can be used as a benchmark measure of probability of default.	
AAA	Highest credit quality. 'AAA' denotes the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality. 'AA' ratings denote expectation of low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than in the case for higher ratings.
BBB	Good credit quality. 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.
BB	Speculative. 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.
B	Highly speculative. 'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
<b>International Short-Term Credit ratings</b>	
Short-term rating has a time horizon of less than 13 months for most obligations and thus places greater emphasis on the liquidity necessary to meet financial commitments	
F1	Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.
F2	Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
F3	Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near term adverse changes could result in a reduction to non-investment grade.
B	Speculative quality. Minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term adverse changes in financial and economic conditions.

## Full Rating List of Approved Institutions at 31 December 2021

Organisation	S&P Global Ratings			Moody's			Fitch				
	Long Term	Short Term	Outlook	Long Term	Short Term	Outlook	Full Review Date	Long Term	Short Term	Outlook	
<b>Building Societies</b>											
Nationwide	A+	A-1	<i>Stable</i>	A1	P-1	<i>Stable</i>	05/07/2021	A	F1	<i>Stable</i>	£1m min
Yorkshire	-	-	-	A3	P-2	<i>Stable</i>	17/11/2021	A-	F1	<i>Stable</i>	
Coventry	-	-	-	A2	P-1	<i>Stable</i>	17/11/2021	A-	F1	<i>Stable</i>	Sterling Brokers
Skipton	-	-	-	A2	P-1	<i>Stable</i>	17/11/2021	A-	F1	<i>Stable</i>	
Leeds	-	-	-	A3	P-2	<i>Stable</i>	17/11/2021	A-	F1	<i>Stable</i>	3 Mnth
Principality	-	-	-	Baa2	P-2	<i>Stable</i>	17/11/2021	BBB+	F2	<i>Stable</i>	No Contact
<b>Banks</b>											
Santander UK Plc.	A	A-1	<i>Stable</i>	A1	P-1	<i>Stable</i>	05/07/2021	A+	F1	<i>Stable</i>	
Barclays Bank Plc.	A	A-1	<i>Positive</i>	A1	P-1	<i>Stable</i>	13/10/2021	A+	F1	<i>Stable</i>	
Bank of Scotland Plc.	A+	A-1	<i>Stable</i>	A1	P-1	<i>Stable</i>	05/07/2021	A+	F1	<i>Stable</i>	
HSBC Bank Plc.	A+	A-1	<i>Stable</i>	A1	P-1	<i>Stable</i>	12/10/2021	AA-	F1+	<i>Negative</i>	
Lloyds Bank Plc.	A+	A-1	<i>Stable</i>	A1	P-1	<i>Stable</i>	05/07/2021	A+	F1	<i>Stable</i>	£250k min
National Westminster Bank Plc.	A	A-1	<i>Stable</i>	A1	P-1	<i>Stable</i>	05/07/2021	A+	F1	<i>Stable</i>	Current a/c required
Royal Bank of Scotland Plc.	A	A-1	<i>Stable</i>	A1	P-1	<i>Stable</i>	05/07/2021	A+	F1	<i>Stable</i>	Current a/c required
<b>Banks not currently meeting minimum Fitch Short Term requirement of F2 (and not currently approved for investments)</b>											
Co-operative Bank (The)				B2	NP	<i>Positive</i>	21/07/2021	B+	B	<i>Stable</i>	£1m min