

Wirral Council Reserves and Investments

Level of Reserves

Usable Reserve	Balance at 7th August 2017	Purpose of Reserve
	£'000	
General Fund Reserve	13,600	General Fund for unforeseen events/ emergencies and pressures. Also required funding resort for any year end General Fund overspend/income shortfall.
Earmarked General Fund Reserves	50,920	Various funds to support service activities, mitigate risks including insurance and taxation and schools funding
Capital Receipts Reserve	3,498	Contains the proceeds of fixed asset sales that are available to fund current or future capital investment.
Capital Grants Unapplied	26,568	Government Grants and contributions received in advance for projects not yet completed. Figure has increased on previous statement due to receipt of grants to finance 2017/18 activities.
Total	94,586	

Outstanding Investments 7th August 2017 were £58.64 million.

	£'000
Total Reserves	94,586
Less Total Investments	-58,640
Level of Internal Borrowing	35,946

The level of Internal Borrowing is the amount of cash that the Council has temporarily used from reserve cash flows in lieu of taking out external debt to finance past capital programme expenditure. Rather than financing the cost of borrowing this £35.9 million, the Council has chosen to delay borrowing and temporarily utilise existing cash balances and forego the current low levels of interest that would be

earned on investing this cash. This produces greater savings on borrowing costs which is reflected within savings in the Treasury Management budget.

Details of the Outstanding Investments are as follows:

Investments as at 7th August 2017

TYPE	COUNTERPARTY	PRINCIPAL £	INTEREST RATE %
Call Account	Svenska Handelsbanken	5,000,000	0.21
Managed Fund	Payden Sterling Reserve Fund	4,000,000	0.70
Managed Fund	Royal London Unit Trust Managers Ltd	4,000,000	0.60
Money Market Fund	Federated Short-Term Sterling Prime Fund-3	5,000,000	0.21
Money Market Fund	Insight Liquidity Fund plc (Class 3)	2,170,000	0.21
Money Market Fund	Invesco AIM	3,800,000	0.21
Money Market Fund	LGIM Sterling Liquidity Fund (Share Class 4)	4,070,000	0.21
Money Market Fund	Standard Life Investments Liquidity Fund (SLI Class 2)	5,000,000	0.23
Term Deposit	Commonwealth Bank Of Australia	3,000,000	0.38
Term Deposit	DBS Bank Ltd	2,000,000	0.43
Term Deposit	Edsential Community Interest Company	1,100,000	5.02
Term Deposit	Furness Building Society	1,000,000	0.90
Term Deposit	Lloyds Bank Plc	3,500,000	1.00
Term Deposit	National Counties Building Society	1,000,000	0.35
Term Deposit	Santander UK Plc	2,000,000	0.45
Term Deposit	The Highlands Council	3,000,000	0.41
Term Deposit	Thurrock Council	5,000,000	0.41
Term Deposit	United Overseas Bank	4,000,000	0.51
	Total Investments	58,640,000	

The above contains two investments with local authorities (Highlands and Thurrock Councils) which total £8 million.

Note: the authority also at times borrows from other local authorities when it is deemed financially advantageous to do so. Inter authority borrowing can only be used to cover timing in respect of cash flows or for capital financing purposes. It cannot be used to increase an authority's revenue budget.