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Date: 19 November 2025

Dear Member

GOVERNANCE AND AUDIT COMMITTEE - WEDNESDAY, 26 NOVEMBER 2025

I am now able to enclose, for consideration on Wednesday 26 November 2025 at meeting of the Governance and Audit Committee, the following appendices that were unavailable when the agenda was printed.

Agenda Item No

7

Treasury Update Report – Appendix 1 and Appendix 2 (Pages 1 - 8)

Yours sincerely

Benjamin Watts
Deputy Chief Executive

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Investments as at 30 September 2025

1. Internally Managed Investments

1.1 Term deposits, Call accounts and Money Market Funds

Instrument Type	Counterparty	Principal Amount £	Interest Rate	End Date
Treasury Bill	UK Government	9,795,024	4.220%	24/11/25
Treasury Bill	UK Government	9,901,850	4.020%	24/11/25
Treasury Bill	UK Government	9,798,700	4.120%	15/12/25
Total Treasury Bills		29,495,573		
DMADF Deposit	Debt Management Office	4,170,000	3.955%	01/10/25
DMADF Deposit	Debt Management Office	2,480,000	3.950%	01/10/25
Total DMADF		6,650,000		
Call Account	National Westminster Bank plc	1,000,000	3.00%	
Call Account	Lloyds Bank plc	8,000,000	3.79%	
Total Bank Call Accounts		9,000,000		
No Use Empty Loans		21,495,000	3.67%	
Money Market Funds	Aberdeen Liquidity Fund (Lux) KCC	19,985,789	4.0760%	
Money Market Funds	Aviva Investors Sterling Liquidity Fund 3 GBP Inc	19,994,834	4.0909%	
Money Market Funds	Deutsche Managed Sterling Platinum	17,993,383	4.0846%	
Money Market Funds	Federated Prime Rate Sterling Liquidity 3	14,993,334	4.0873%	
Money Market Funds	HSBC Sterling Liquidity Fund F	19,985,459	3.9972%	
Money Market Funds	LGIM Sterling Liquidity Fund 4	19,992,792	4.0905%	
Money Market Funds	Northern Trust Sterling Cash Fund	14,941,389	4.0359%	
Total Money Market Funds		127,886,981		
Equity	Kent PFI (Holdings) Ltd	1,298,620		n/a

Bond Portfolio

Bond Type	Issuer	Adjusted Principal	Coupon Rate	Maturity Date
		£		
Fixed Rate Covered Bond	Nationwide Building Society Covered	3,473,007	4.3170%	28/01/26
Fixed Rate Covered Bond	Santander UK Covered	5,065,018	4.3925%	02/03/26
Fixed Rate Covered Bond	Bayerische Landesbank Covered	14,993,428	5.1759%	01/06/26
Fixed Rate Covered Bond	Bayerische Landesbank Covered	299,773	5.2128%	01/06/26
Fixed Rate Covered Bond	Clydesdale Bank Covered	6,013,040	4.3981%	08/06/26
Fixed Rate Covered Bond	National Australia Bank Covered	3,940,714	4.6707%	04/09/26
Fixed Rate Covered Bond	Commonwealth Bank of Australia Covered	986,050	4.5842%	04/09/26
Fixed Rate Covered Bond	Lloyds Bank Covered	5,551,798	4.3730%	30/03/27
Fixed Rate Covered Bond	Lloyds Bank Covered	2,650,134	4.3326%	08/02/29
Fixed Rate Covered Bond	Santander UK Covered	5,129,794	4.5260%	16/02/29
Fixed Rate Covered Bond	Santander UK Covered	1,535,537	4.5883%	16/02/29
Fixed Rate Covered Bond	Santander UK Covered	965,071	4.7154%	16/02/29
Floating Rate Covered Bond	Canadian Imperial Bank of Commerce Covered	5,009,633	3.8380%	15/12/25
Floating Rate Covered Bond	National Australia Bank Covered	5,009,737	3.8296%	15/12/25
Floating Rate Covered Bond	National Australia Bank Covered	10,014,048	3.4932%	15/12/25
Floating Rate Covered Bond	Bank of Nova Scotia Covered	702,608	4.3559%	26/01/26
Floating Rate Covered Bond	Nationwide Building Society Covered	500,324	4.6501%	20/04/26
Floating Rate Covered Bond	Nationwide Building Society Covered	5,401,561	4.6998%	20/04/26
Floating Rate Covered Bond	Bank of Nova Scotia Covered	10,032,934	4.1465%	22/06/26
Floating Rate Covered Bond	Royal Bank of Canada Covered	4,017,684	4.2429%	13/07/26
Floating Rate Covered Bond	Yorkshire Building Society Covered	3,002,598	4.3523%	18/01/27
Floating Rate Covered Bond	Yorkshire Building Society Covered	2,001,189	4.3715%	18/01/27
Floating Rate Covered Bond	Leeds Building Society Covered	3,999,291	4.5398%	15/05/27
Floating Rate Covered Bond	Leeds Building Society Covered	3,001,769	4.4795%	15/05/27
Total Bonds		103,296,740		

Total Internally managed investments**299,122,913**

2. Externally Managed Investments

Investment Fund	Book Cost	Market Value at	6 months return to	
	£	30-September-25	30-September-25	
		£	Income	Total
CCLA LAMIT Property Fund	60,000,000	55,386,271	2.3%	2.5%
CCLA Better World Cautious Fund (formerly DIF)	5,000,000	4,655,342	1.8%	1.2%
Pyrford Global Total Return Fund	5,000,000	5,622,758	1.6%	4.2%
Fidelity Multi Asset Income Fund	25,038,637	22,637,228	2.6%	3.9%
Ninety-One (Investec) Diversified Income Fund	10,000,000	9,280,376	2.4%	4.6%
Aegon (KAMES) Diversified Monthly Income Fund	20,000,000	19,594,339	3.2%	8.7%
M&G Global Dividend Fund	10,000,000	17,612,045	2.0%	10.1%
Schroder Income Maximiser Fund	25,000,000	23,390,536	3.8%	10.7%
Threadneedle Global Equity Institutional Fund	10,000,000	13,823,748	1.5%	9.9%
Threadneedle UK Equity Income Fund	10,000,000	12,064,708	1.9%	9.9%
Total External Investments	180,038,637	184,067,350	2.5%	6.2%

3. Total Investments

Total Investments	£483,190,264
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GLOSSARY

Local Authority Treasury Management Terms

Bond	A certificate of long-term debt issued by a company, government, or other institution, which is tradable on financial markets
Borrowing	Usually refers to the stock of outstanding loans owed and bonds issued.
CFR	Capital Financing Requirement. A council's underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with capital expenditure and decreases with capital finance and MRP.
Capital gain or loss	An increase or decrease in the capital value of an investment, for example through movements in its market price.
Counterparty	The other party to a loan, investment or other contract.
Counterparty limit	The maximum amount an investor is willing to lend to a counterparty, in order to manage credit risk.
Covered bond	Bond issued by a financial institution that is secured on that institution's assets, usually residential mortgages, and is therefore lower risk than unsecured bonds. Covered bonds are exempt from bail-in.
CPI	Consumer Price Index - the measure of inflation targeted by the Monetary Policy Committee.
Deposit	A regulated placing of cash with a financial institution. Deposits are not tradable on financial markets.
Diversified income fund	A collective investment scheme that invests in a range of bonds, equity and property in order to minimise price risk, and also focuses on investments that pay income.
Dividend	Income paid to investors in shares and collective investment schemes. Dividends are not contractual, and the amount is therefore not known in advance.
DMADF	Debt Management Account Deposit Facility – a facility offered by the DMO enabling councils to deposit cash at very low credit risk. Not available in Northern Ireland.
DMO	Debt Management Office – an executive agency of HM Treasury that deals with central government's debt and investments.
Equity	An investment which usually confers ownership and voting rights
Floating rate note (FRN)	Bond where the interest rate changes at set intervals linked to a market variable, most commonly 3-month LIBOR or SONIA
FTSE	Financial Times stock exchange – a series of indices on the London Stock Exchange. The FTSE 100 is the index of the largest 100 companies on the exchange, the FTSE 250 is the next largest 250 and the FTSE 350 combines the two
GDP	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.
Gilt	Bond issued by the UK Government, taking its name from the gilt-edged paper they were

	originally printed on.
Income return	Return on investment from dividends, interest and rent but excluding capital gains and losses.
IFRS	International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010
LIBID	London interbank bid rate - the benchmark interest rate at which banks bid to borrow cash from other banks, traditionally 0.125% lower than LIBOR.
LIBOR	London interbank offer rate - the benchmark interest rate at which banks offer to lend cash to other banks. Published every London working day at 11am for various currencies and terms. Due to be phased out by 2022.
LOBO	Lender's Option Borrower's option
MMF	Money Market Funds. A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to Constant Net Asset Value (CNAV) and Low Volatility Net Asset Value (LVNAV) funds with a Weighted Average Maturity (WAM) under 60 days which offer instant access, but the European Union definition extends to include cash plus funds
Monetary Policy	Measures taken by central banks to boost or slow the economy, usually via changes in interest rates. Monetary easing refers to cuts in interest rates, making it cheaper for households and businesses to borrow and hence spend more, boosting the economy, while monetary tightening refers to the opposite. See also fiscal policy and quantitative easing.
MPC	Monetary Policy Committee. Committee of the Bank of England responsible for implementing monetary policy in the UK by changing Bank Rate and quantitative easing with the aim of keeping CPI inflation at around 2%.
MRP	Minimum Revenue Provision – an annual amount that local authorities are required to set aside and charge to revenue for the repayment of debt associated with capital expenditure. Local authorities are required by law to have regard to government guidance on MRP. Not applicable in Scotland, but see Loans Fund
Pooled Fund	Scheme in which multiple investors hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Prudential Code	Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice. Local authorities are required by law to have regard to the Prudential Code. The Code was update din December 2021
PWLB	Public Works Loan Board – a statutory body operating within the Debt Management Office (DMO) that lends money from the National Loans Fund to councils and other prescribed bodies and collects the repayments. Not available in Northern Ireland.
Short-term	Usually means less than one year
SONIA	Based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors
Total return	The overall return on an investment, including interest, dividends, rent, fees and capital gains and losses.
Weighted	The weighted average time for principal repayment, that is, the average time it takes for every

average life (WAL)	dollar of principal to be repaid. The time weights are based on the principal payments,
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