Committee report

Mid-Year Treasury Management Report 2022/2023

Committee	Strategy & Programmes		
Date of meeting	25 November 2022	**Date of report**	8 November 2022

Report by Director of Finance & Corporate Support

1. Object of report

To report on the treasury management activities and the actual prudential and treasury management indicators for the first half of financial year 2022/2023.

2. Background

2.1 SPT is required by regulation issued under the Local Government in Scotland Act 2003 to produce a mid-year report reviewing treasury management activities undertaken in the first half of the financial year. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the "Code of Practice") and the CIPFA Prudential Code for Capital Finance in Local Authorities (the "Prudential Code").

2.2 SPT has adopted the Code of Practice and fully complies with the requirements of the 2017 Edition.

The primary requirements of the Code of Practice are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of SPT's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which SPT will seek to achieve those policies and objectives.
- Receipt by the Partnership of an annual Treasury Management Strategy Statement (including the Annual Investment Strategy) for the year ahead, a Mid-Year Review Report and an Annual Review Report covering activities during the previous year.
- Delegation by SPT of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

Treasury management in this context is defined as:

"The management of the organisation's borrowing, investments and cash flows, including 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."

2.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with SPT's policies previously approved by members.

2.4 CIPFA published a revised Code of Practice and Prudential Code on 20 December 2021. In accordance with CIPFA's expectations:

- SPT will fully implement the requirements of the Code of Practice (2021 Edition) in financial year 2023/2024.
- SPT has fully adopted the ongoing principles of the Prudential Code and will fully introduce the reporting requirements of the 2021 Edition in financial year 2023/2024 (these include changes in capital strategy, prudential indicators and investment reporting).

Additionally, SPT does not borrow to invest primarily for financial return and therefore meets this immediate requirement of the Prudential Code (2021 Edition).

3. The Economy and Interest Rates

3.1 Economic performance to date and outlook

3.1.1 The UK economy is facing a very challenging outlook with a recession looming. Economic activity is losing momentum. Inflationary pressures have increased and are expected to remain elevated in the near-term. Unemployment is expected to increase significantly in the medium-term.

3.1.2 UK GDP in volume terms is estimated to have risen by 0.2% in 2022 Quarter 2 (April to June). UK GDP is expected to have fallen by -0.5% in 2022 Quarter 3 (July to September) and to fall a further -0.3% in 2022 Quarter 4 (October to December). The expectation is that UK GDP will continue to fall throughout 2023 and into mid-2024 as high energy prices and tighter financial conditions weigh on consumer spending. Thereafter, UK GDP is expected to start to recover slowly.

3.1.3 CPI inflation has increased from 9% in April 2022 to 10.1% in September 2022. It is expected to peak at around 11% in late 2022, reflecting the squeeze on real incomes from higher global energy and tradable goods prices. The expectation is that CPI inflation starts to fall back from early next year as previous increases in energy prices drop out of the annual comparison and domestic inflationary pressures subside. Thereafter, CPI inflation is forecast to fall sharply to be below the 2% target in two years' time, and further below the target in three years' time.

3.1.4 The unemployment rate was 3.5% in the three months to August 2022, the lowest level since 1974. The labour market remains tight and pay growth has continued to strengthen. However, as a result of the anticipated slowdown in demand and the weak economic outlook, the unemployment rate is expected to rise to 6.5% in three years' time.

3.1.5 The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain economic growth and employment. At its meeting on 2 November 2022, the MPC voted by a majority to increase Bank Rate to 3%.

3.1.6 The MPC expects that further increases in Bank Rate may be required for a sustainable return of inflation to target, albeit to a peak lower than priced into financial markets. However, the MPC judges that there are considerable uncertainties around the outlook.

3.2 Link Asset Services' forecast for Bank Rate interest

3.2.1 SPT has appointed Link Group as its treasury management advisors and the following table gives their current view on the prospects for interest rates.

Table 1										
Now	**Dec-22**	**Mar-23**	**Jun-23**	**Sep-23**	**Dec-23**	**Mar-24**	**Jun-24**	**Sep-24**	**Dec-24**	**Mar-25**
3.00	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00

4. Treasury Management Strategy Update

4.1 The Treasury Management Strategy 2022/2023, including the Annual Investment Strategy, was approved by the Partnership on 18 March 2022.

4.2 SPT continues to only hold investment balances with approved UK institutions and to act in accordance with the credit rating service provided by our treasury advisors, Link Group. However, some additional flexibility is sought in terms of the counterparty list, approved investments and investment limits, to enable SPT to better manage the level of investment balances whilst maintaining its' investment policy of security first, liquidity second and then return.

4.3 It is proposed that the Debt Management Office (DMO) is added to the approved Counterparty List, as set out in Appendix 3. The DMO is an Executive Agency of HM Treasury, responsible for debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds.

4.4 It is proposed that the Permitted Investment Types are revised to include term deposits with the Debt Management Account Deposit Facility (DMADF), administered by the DMO, as set out in Appendix 1.

4.5 It is proposed that the Treasury Risks and Mitigations are revised to include term deposits with the DMADF, as set out in Appendix 2.

4.6 There are no other proposed policy changes to the Treasury Management Strategy. The information in this report updates the position in light of the economic position and budgetary changes already approved.

5. Capital Position (Prudential Indicators)

5.1 Overview

5.1.1 The Partnership undertakes capital expenditure on long-term assets. These activities may be financed through the application of capital or revenue resources (e.g. capital grants, capital receipts, revenue contributions etc.) or give rise to a borrowing requirement.

5.1.2 This section of the report provides an update on:

- SPT's capital expenditure plans;
- how these plans are financed;

- the impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- compliance with the limits in place for borrowing activity.

5.2 Prudential Indicator for Capital Expenditure

5.2.1 The actual capital expenditure forms one of the required prudential indicators.

5.2.2 Table 2 below provides a summary of the revised capital expenditure plans for 2022/23 as approved by the Strategy & Programmes Committee on 9 September 2022.

Table 2	**Subway Modernisation £000**	**General Capital £000**	**Total £000**
Capital Programme approved by the Partnership on 18 March 2022	37,178	26,078	63,256
Amendments approved by the Strategy & Programmes Committee	0	130	130
Revised Capital Programme as at 9 September 2022	**37,178**	**26,208**	**63,386**

5.3 Changes to the financing of the capital programme

5.3.1 Table 3 below provides a summary of the available capital funding for 2022/2023 as approved by the Partnership on 18 March 2022.

Table 3	**Subway Modernisation £000**	**General Capital £000**	**Total £000**
Scottish Government general capital grant	0	15,327	15,327
Scottish Government specific capital grant*	16,500	0	16,500
Transfer from Subway Infrastructure Fund (General Fund - Earmarked Reserve)	0	5,510	5,510
Available capital funding 2022/2023	**16,500**	**20,837**	**37,337**

* Note - ring-fenced grant funding.

5.3.2 Subsequently, there has been an increase of £0.695m in the contributions available for General Capital, but these have been equalled by a corresponding increase in planned expenditure.

5.3.3 Table 4 below provides a summary of the revised capital funding available for 2022/2023 as approved by the Strategy & Programmes Committee on 9 September 2022.

Table 4	Subway Modernisation £000	General Capital £000	Total £000
Scottish Government general capital grant	0	15,327	15,327
Scottish Government specific capital grants	16,500	0	16,500
Other grants and contributions	0	695	695
Transfer from Subway Infrastructure Fund (General Fund - Earmarked Reserve)	0	5,510	5,510
Available capital funding 2022/2023	**16,500**	**21,532**	**38,032**

5.4 Revised capital programme position

5.4.1 Table 5 below provides a summary of the capital position as approved by the Strategy & Programmes Committee on 9 September 2022.

Table 5	Subway Modernisation £000	General Capital £000	Total £000
Revised Capital Programme as at 9 September 2022	37,178	26,208	63,386
Available capital funding 2022/2023	16,500	21,532	38,032
Transfer from Capital Grants Unapplied Account	20,678	0	20,678
Projected variance	**0**	**4,676**	**4,676**

5.4.2 It is anticipated that the current economic environment and global supply chain issues will continue to affect the delivery of projects in 2022/2023 and that further budget amendments will be necessary.

5.4.3 Further work to quantify and manage risk, advance savings and re-phase existing projects is being undertaken to balance spend against budget.

6. Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

6.1 Capital Financing Requirement

6.1.1 The Capital Financing Requirement (CFR) is the amount of capital expenditure to be financed by means other than grants or capital receipts. As can be seen from Table 6 below, there has been no change in the CFR, reflecting the balanced changes in the Capital Programme and the Available Funding.

Table 6	2022/2023 Original Forecast £000	2022/2023 Revised Forecast* £000
Capital Programme	63,256	63,386
Available Funding	37,337	38,032
Transfer from / (to) Capital Grants Unapplied Account	20,678	20,678
Transfer from Capital Fund	5,241	4,676
Capital Financing Requirement	**0**	**0**

* Note – as at 9 September 2022.

6.2 Portfolio position

6.2.1 SPT's treasury portfolio position is summarised in Tables 7 and 8 below.

Table 7 Treasury Investments	2022/2023 Original Forecast £000	2022/2023 Revised Forecast £000
Banks and building societies (rated)		
Managed in-house	138,208	170,000
Managed externally	0	0
Total Investments	**138,208**	**170,000**

6.2.2 The original forecast for investments was produced before the actual year-end position was known for 2021/2022. The opening position for 2022/2023 was actually £8.949m more than forecast mainly due to an underspend on the capital programme.

6.2.3 The revised forecast for investments is based on current income and expenditure information projected to the end of the financial year. Whilst formulising the revised projections, previous assumptions have been reviewed including the significant impact of the Covid-19 pandemic on SPT's income and potential spend-risk on the capital programme.

6.2.4 Table 8 shows the external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 8 External Debt	2022/2023 Original Forecast £000	2022/2023 Revised Forecast £000
Gross debt at 1 April	0	0
Expected change in gross debt	0	0
Gross debt at 31 March	**0**	**0**
The Capital Financing Requirement	**0**	**0**
Under / (over) borrowing	0	0

6.2.5 Within the prudential indicators there are a number of key indicators to ensure that SPT operates its activities within well-defined limits. One of these is that SPT needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/2023 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

6.3 Operational Boundary for External Debt and Authorised Limit for External Debt

6.3.1 The Operational Boundary for External Debt is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

6.3.2 The Authorised Limit for External Debt represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Partnership. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit (Affordable Capital Expenditure Limit) determined under section 35 (1) of the Local Government in Scotland Act 2003.

6.3.3 As can be seen from Table 9 below, the Operational Boundary and Authorised Limit on External Debt have not changed from the original estimates.

Table 9	2022/2023 Original Forecast £000	2022/2023 Revised Forecast £000
Operational Boundary	50,000	50,000
Authorised Limit for External Debt	55,000	55,000

7. Investment Strategy

7.1 The Treasury Management Strategy 2022/2023 was approved by the Partnership on 18 March 2022.

7.2 In terms of investment policy, the 2022/2023 Strategy states that “SPT’s investment priorities will be security first, liquidity second and then return.” During the first six months of 2022/23 this investment policy was followed in full.

7.3 In terms of permitted investments, SPT's policy is governed by the Investment Regulations (Code on the Investment of Money by Local Authorities). The 2022/2023 Strategy lists the types of investments which can be used and sets appropriate limits for the amount that can be held in each investment type. During the first six months of 2022/2023 this policy was followed in full.

7.4 In terms of credit rating criteria, SPT applies the service provided by our treasury management advisors, Link Group. This service employs a modelling approach utilising credit ratings from the main credit rating agencies supplemented by additional market data, to classify counterparties into bands which indicate the relative credit rating and suggested duration for investments. During the first six months of 2022/2023 this credit rating policy was followed in full and there were no liquidity difficulties.

7.5 In terms of counterparty limits, the 2022/2023 Strategy set these as follows:

- Principal Banker - the greater of £50m or 50% of total balances;
- Other Institutions - the greater of £10m or 35% of total balances; and
- To allow for temporary operational circumstances, there is a tolerance level of 2% of the balance held with each counterparty.

Additionally, SPT has set an individual transaction limit of £20m for the placing of investments.

During the first six months of 2022/2023 this policy was followed in full.

7.6 During the first six months of 2022/2023, SPT has only held investment balances with approved UK institutions. The Counterparty List for 2022/2023 is shown at Appendix 3, with updated credit ratings and revised to include the Debt Management Office.

8. Investment Outturn

8.1 The result of the investment strategy undertaken by SPT to Period 7 (ending 15 October 2022) is shown in the Table 10 below.

Table 10	Average Investment £000	Average Rate of Return %	Benchmark Return %	Liquidity
Account 1	863	0.03	1.19	Instant Access
Account 2	19,458	0.03	1.19	Instant Access
Account 3	2,999	1.28	1.19	Instant Access
Account 4	25,000	1.48	1.19	95 Day Notice
Account 5	17,143	1.74	1.19	Fixed Term
Account 6	1,434	0.68	1.19	Instant Access
Account 7	5	0.03	1.19	Instant Access
Account 8	8	0.71	1.19	31 Day Notice
Account 9	10,000	2.55	1.19	Fixed Term
Account 10	3,056	0.34	1.19	Instant Access
Account 11	22,296	1.05	1.19	35 Day Notice
Account 12	10,059	1.05	1.19	95 Day Notice
Account 13	3,011	0.80	1.19	Instant Access
Account 14	5,034	1.12	1.19	31 Day Notice
Account 15	43,205	1.39	1.19	95 Day Notice
Account 16	15,714	1.82	1.19	Fixed Term

8.2 SPT earned interest of £1.054m during the first six months of 2022/2023, against budgeted income of £0.700m.

8.3 The overall average rate of return obtained equates to 1.28% per annum, which exceeds the benchmark return by 0.09% per annum.

8.4 SPT uses an investment benchmark of backward-looking 7-day compounded SONIA (Sterling Overnight Index Average). SONIA is the risk-free rate for sterling markets administered by the Bank of England. It is 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.

8.5 The Partnership holds a number of investment accounts with balances below £1,000. This is in order to maintain relationships with counterparties which currently offer low rates of return or do not meet the minimum acceptable credit criteria. Retaining these accounts ensures quick access at the point that these accounts become competitive or regain the minimum acceptable credit criteria. These accounts have not been shown in Table 10 on the basis of materiality.

8.6 Investments are placed at available rates at a point in time in accordance with SPT's priorities of security, liquidity and return as well as available counterparty balances whilst taking into account forecast cash flow requirements. Consequently, Table 10 reflects the impact of timing issues in relation to maximising investment returns.

9. Borrowing

As stated previously SPT had no requirement for borrowing in the first six months of 2022/2023 and remains debt free.

10. Conclusion

During the first six months of 2022/23 SPT has operated within the Treasury Limits and Prudential Indicators set out in the Treasury Management Strategy 2022/23. All treasury management operations have also been conducted in full compliance with SPT's Treasury Management Practices.

11. Committee action

The Committee is asked to:

(i) note the content of this report; and

(ii) recommend to the Partnership meeting of 16 December 2022 approval to revise the Treasury Management Strategy 2022/2023, as detailed in Section 4 of this report.

12. Consequences

Policy consequences	*None.*
Legal consequences	*All legislation and regulations are adhered to.*
Financial consequences	*As detailed in the report.*
Personnel consequences	*None.*
Equalities consequences	*None.*
Risk consequences	*As detailed in the report.*
Climate Change, Adaptation & Carbon consequences	*None.*

Name	Neil Wylie	**Name**	Valerie Davidson
Title	**Director of Finance & Corporate Support**	**Title**	**Chief Executive**

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Appendix 1

Permitted Investment Types

1. Cash type instruments	
a)	**Call accounts with sufficiently high credit rating banks and building societies** Cash is deposited with the institution and is held at instant access or at call. This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit. However, use of call accounts is necessary to ensure that SPT has ready access to cash when required. These tend to be low risk investments depending on the credit rating. Whilst there is no risk to value with these types of investments, liquidity is high and investments can be returned at short notice (up to 100 days).
b)	**Term deposits with sufficiently high credit rating banks and building societies** Cash is deposited with the institution until an agreed maturity date. The cash is locked in until the maturity date however the rate of interest is fixed for the duration of the deposit. These tend to be low risk investments depending on the credit rating. Whilst there is no risk to value with these types of investments, liquidity is low and term deposits can only be broken with the agreement of the counterparty, and penalties may apply.
c)	**Term deposits with the Debt Management Account Deposit Facility** Cash is deposited with the Debt Management Account Deposit Facility (DMADF) until an agreed maturity date. The cash is locked in until the maturity date however the rate of interest is fixed for the duration of the deposit. The DMADF is administered by the Debt Management Office, an Executive Agency of HM Treasury, and therefore represents a direct claim against HM Government. Whilst there is no risk to value with this type of investment, liquidity is low and term deposits cannot be broken. Deposits can be between overnight and six months.

2. Other investments	
a)	**Investment properties** Investment properties include retail outlets contained within assets owned by SPT and other land and buildings, which are leased to third parties. These assets are being held for a longer term rental income stream. These are highly illiquid assets with high risk to value (the potential for property prices to fall or for rental voids).
b)	**Shareholdings in joint venture companies** SPT owns 49% of the ordinary shares in Nevis Technologies Limited, a joint venture between SPT and Ecebs Limited for the provision of a smartcard ticketing and payment service. Other such joint venture arrangements may arise in the future. These assets are not being held for the purpose of producing an income stream or potential capital gain. These are highly illiquid assets with high risk to value (generally the shares are not traded on a market).

Appendix 2

Treasury Risks and Mitigation

Investment type	Minimum credit criteria / colour banding	Liquidity risk	Market risk	Maximum limit	Maximum maturity period
Call accounts with sufficiently high credit rating banks and building societies	Green	instant access or call (up to 100 days)	no	100%	up to 100 days
Term deposits with sufficiently high credit rating banks and building societies	Red	term	no	50%	up to 1 year
Term deposits with the Debt Management Account Deposit Facility	none	term	no	100%	up to 6 months
Investment properties	n/a	sale	yes	£15m	n/a
Shareholdings in joint venture companies	n/a	sale	yes	£0.5m	n/a

1. Treasury Risks

1.1 **Credit and counterparty risk:** this is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to SPT particularly as a result of the counterparty's diminished credit rating, and the resulting detrimental effect on SPT's capital or revenue resources. There are no counterparties where this risk is zero although AAA rated organisations have the highest, relative, level of credit rating.

1.2 **Liquidity risk:** this is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk as credit risk can never be zero, liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument.

1.3 **Market risk:** this is the risk that, through adverse market fluctuations in the value of the principal sums SPT borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

1.4 **Interest rate risk:** this is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on SPT's finances, against which SPT has failed to protect itself adequately.

1.5 **Legal and regulatory risk:** this is the risk that SPT itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that SPT suffers losses accordingly.

2. Controls on Treasury Risks

2.1 **Credit and counterparty risk:** SPT has set minimum credit criteria to determine which counterparties and countries are of sufficiently high credit rating to be considered for investment purposes.

2.2 **Liquidity risk:** SPT has a cash flow forecasting model to enable it to determine how long investments can be made for and how much can be invested.

2.3 **Market risk:** SPT does not purchase investment instruments which are subject to market risk in terms of fluctuation in their value. Investment properties are valued annually at fair value and movements in valuations are recognised in the annual accounts. Shareholdings in joint venture companies are recorded as financial assets at cost, less any provision for losses.

2.4 **Interest rate risk:** SPT manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximise investment earnings consistent with control of risk or alternatively, seeks to minimise expenditure on interest costs on borrowing.

2.5 **Legal and regulatory risk:** SPT will not undertake any form of investing until it has ensured that it has all necessary powers and also complied with all regulations.

3. Unlimited Investments

3.1 Regulation 24 states that an investment can classed as being 'unlimited' in terms of the maximum amount or percentage of the total portfolio that can be put into that type of investment. However, it also requires that an explanation must be given for using that category.

3.2 SPT has given the following types of investment an unlimited category:

Call accounts with sufficiently high credit rating banks and building societies: to ensure that SPT has ready access to cash when required, an unlimited amount of the investment portfolio may be put into call accounts with sufficiently high credit rating banks and building societies. However, SPT will diversify its portfolio through its counterparty limits policy, thereby ensuring that no more than £50m or 50% of total balances can be placed with any one counterparty at any one time (subject to a tolerance level of 2% of the balance held with each counterparty).

Term deposits with the Debt Management Account Deposit Facility: to ensure that SPT has a safe haven for cash, an unlimited amount of the investment portfolio may be put into term deposits with the Debt Management Account Deposit Facility (DMADF). The DMADF is administered by the Debt Management Office (DMO), an Executive Agency of the UK Treasury, and therefore represents a direct claim against HM Government. There is therefore no minimum credit criteria / colour banding set for the DMO.

Appendix 3

Counterparty List 2022/2023

Investment balances have been held with the following counterparties so-far during financial year 2022/2023:

Counterparty Institution	Country / Classification	Band
Bank of Scotland PLC	UK / Bank	Red
Barclays Bank PLC	UK / Bank	Green
Goldman Sachs International Bank	UK / Bank	Green
HSBC UK Bank Plc	UK / Bank	Orange
Lloyds Bank Corporate Markets Plc	UK / Bank	Red
Santander UK PLC	UK / Bank	Red
Standard Chartered Bank	UK / Bank	Red
The Royal Bank of Scotland Plc	UK / Part Nationalised Bank	Blue
Nationwide Building Society	UK / Building Society	Red

Investment balances could also potentially be held with the following counterparties during financial year 2022/2023:

Counterparty Institution	Country / Classification	Band
Al Rayan Bank Plc	UK / Bank	Red
Barclays Bank UK PLC	UK / Bank	Red
Close Brothers Limited	UK / Bank	Red
Clydesdale Bank PLC	UK / Bank	Green
Handelsbanken Plc	UK / Bank	Orange
HSBC Bank PLC	UK / Bank	Orange
Lloyds Bank Plc	UK / Bank	Red
National Bank of Kuwait (International) PLC	UK / Bank	Red
NatWest Markets Plc	UK / Bank	Red
Santander Financial Services plc	UK / Bank	Red
SMBC Bank International Plc	UK / Bank	Red
National Westminster Bank PLC	UK / Part Nationalised Bank	Blue
Coventry Building Society	UK / Building Society	Red
Leeds Building Society	UK / Building Society	Green
Skipton Building Society	UK / Building Society	Red
Yorkshire Building Society	UK / Building Society	Green
Debt Management Office	UK / Government	Yellow

Colour Code	Duration (up to)
Yellow	5 years
Purple	2 years
Blue	1 year (only applies to UK Part Nationalised Banks)
Orange	1 year
Red	6 months
Green	100 days
No Colour	0 days (i.e. not to be used)