REPORT OF THE CORPORATE COMMITTEE No. 1, 2018/19

COUNCIL 16 JULY 2018

Chair:	Deputy Chair:
Councillor Isidoros Diakides	Councillor Dana Carlin

INTRODUCTION

1.1 This report to Full Council arises from the report on the Treasury Management 2018/19 Outturn, considered by the Corporate Committee at their meeting on the 9 July 2018.

SUMMARY

<u>Treasury Management 2017/18 Outturn</u>

2.1 We considered a report on the Treasury Management 2018/18 Outturn, which provided an update on the Council's treasury management activities and performance in the year to 31st March 2018, in accordance with the CIPFA Treasury Management Code of Practice. The Treasury Management Outturn report indicated that the Council had not breached any of its treasury management or prudential indicators in 2017/18. The presentation covered the general definition of treasury management, borrowing, investments, roles and responsibilities and the key aspects of the outturn report.

2.2 We asked around the Council's borrowing strategy and what the impact would be if interest rates were to rise. The Head of Pensions advised that an increase in interest rates would not necessarily have an immediate impact as most of the borrowing that the Council undertook was done on a fixed rate basis. The Head of Pensions also outlined that the borrowing costs were linked to gilt yields rather than the Bank of England base rate, so an increase in the base rate would not necessarily result in a commensurate increase in the Council's borrowing rates.

2.3 We asked what potential costs were involved with restructuring the LOBO loans. The Head of Pensions advised that the lenders involved would have to agree to repayment terms and that this would involve a cost to the Council. The Head of Pensions explained that there may be some circumstances in which changes in interest rates made repaying the loan and seeking alternative borrowing arrangements financially advantageous to the Council.

2.4 We sought some clarification on the difference between borrowing limits and current borrowing levels. The Head of Pensions explained that current levels of borrowing are some way below borrowing limits and that this was due to the use of internal borrowing, and as well as capital plans that had yet to be delivered.

WE RECOMMEND

That Full Council note the Treasury Management 2017/18 Outturn as attached.

Report for:	Corporate Committee 9 July 2018
Item number:	
Title:	Treasury Management Outturn 2017/18
Report authorised by:	Jon Warlow, Director of Finance (S151 Officer)
Lead Officer:	Thomas Skeen, Head of Pensions thomas.skeen@haringey.gov.uk 020 8489 1341
Ward(s) affected:	N/A
Report for Key/ Non Key Decision:	Non Key decision

1. Describe the issue under consideration

1.1. The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that Authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end).

1.2. The Council's Treasury Management Strategy for 2017/18 was approved by Full Council on 27 February 2017.

1.3. This report updates the Committee on the Council's treasury management activities and performance in the year to 31st March 2018 in accordance with the CIPFA Treasury Management Code of Practice.

2. Cabinet Member Introduction

2.1. Not applicable.

3. Recommendations

3.1. That members note the Treasury Management activity undertaken during the year to 31st March 2018 and the performance achieved.

3.2. That members note that all treasury activities were undertaken in line with the approved Treasury Management Strategy: in particular the prudential indicators with fixed limits shown in appendix 1.

4. Reason for Decision

4.1. None.

5. Other options considered

5.1. None.

6. Background information

6.1. The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually, Prudential Indicators and a Treasury Management Strategy Statement. CIPFA has defined Treasury management as: "The management of the local Council's 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."

6.2. The Code recommends that members are informed of treasury management activities at least twice a year. Formulation of treasury policy, strategy and activity is delegated to the Corporate Committee and this Committee receives reports quarterly.

6.3. However, overall responsibility for treasury management remains with Full Council and the Council approved the Treasury Management Strategy Statement and set the Prudential Indicators for 2017/18 on 27 February 2017. The Corporate Committee is responsible for monitoring treasury management activity and this is achieved through the receipt of quarterly reports.

6.4. Government guidance on local Council treasury management states that local authorities should consider the following factors in the order they are stated:

Security - Liquidity - Yield

6.5. The Treasury Management Strategy reflects these factors and is explicit that the priority for the Council is the security of its funds. However, no treasury activity is without risk and the effective identification and management of risk are integral to the Council's treasury management activities.

7. Contribution to Strategic Outcomes

7.1. None.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

8.1. Interest rates earned on investments remain low and significantly less than the cost of new borrowing and therefore the strategy of minimising cash balances continued in 2017/18. Borrowing is taken when required for liquidity purposes with the preference being short term local authorities' loans, given the low interest rates these currently attract. Longer term borrowing is required as the Council's capital programme continues to grow, and the treasury team monitor interest rates daily to enable borrowing to be taken should rates fall to levels that are opportunely low. The ability to take advantage of lower interest rates via Local Authority borrowing, and via careful monitoring of the interest rate environment has resulted in savings on the treasury management budget, and will provide value for money for the Council in the longer term.

Legal

8.2. The Assistant Director for Corporate Governance has been consulted on the content of this report which is consistent with legislation governing the financial affairs of the Council. In considering the report Members must take into account the expert financial advice available to it and any further oral advice given at the meeting of the Committee.

Equalities

8.3. There are no equalities issues arising from this report.

9. Use of Appendices

9.1. Appendix 1 – Prudential Indicators

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

11. External Context and Economic Commentary and Outlook (from Haringey's Treasury Advisor, Arlingclose)

Economic background:

11.1. 2017-18 was characterised by the push-pull from expectations of tapering of Quantitative Easing (QE) and the potential for increased policy rates in the US and Europe and from geopolitical tensions, which also had an impact.

11.2. The UK economy showed signs of slowing with latest estimates showing GDP, helped by an improving global economy, grew by 1.8% in calendar 2017, the same level as in 2016. This was a far better outcome than the majority of forecasts following the EU Referendum in June 2016, but it also reflected the international growth momentum generated by the increasingly buoyant US economy and the re-emergence of the Eurozone economies.

11.3. The inflationary impact of rising import prices, a consequence of the fall in sterling associated with the EU referendum result, resulted in year-on-year CPI rising to 3.1% in November before falling back to 2.7% in February 2018. Consumers felt the squeeze as real average earnings growth, i.e. after inflation, turned negative before slowly recovering. The labour market showed resilience as the unemployment rate fell back to 4.3% in January 2018. The inherent weakness in UK business investment was not helped by political uncertainty following the surprise General Election in June and by the lack of clarity on Brexit, the UK and the EU only reaching an agreement in March 2018 on a transition which will now be span Q2 2019 to Q4 2020. The Withdrawal Treaty is yet to be ratified by the UK parliament and those of the other 27 EU member states and new international trading arrangements are yet to be negotiated and agreed.

11.4. The Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 0.25% in November 2017 to 0.50%. It was significant in that it was the first rate hike in ten years, although in essence the MPC reversed its August 2016 cut following the referendum result. The February Inflation Report indicated the MPC was keen to return inflation to the 2% target over a more conventional (18-24 month) horizon with 'gradual' and 'limited' policy tightening. Although in March two MPC members voted to increase policy rates immediately and the MPC itself stopped short of committing itself to the timing of the next increase in rates, the minutes of the meeting suggested that an increase in May 2018 was highly likely, although this did not occur.

11.5. In contrast, economic activity in the Eurozone gained momentum and although the European Central Bank removed reference to an 'easing bias' in its market communications and had yet to confirm its QE intention when asset purchases end in September 2018, the central bank appeared some way off normalising interest rates. The US economy grew steadily and, with its policy objectives of price stability and maximising employment remaining on track, the Federal Reserve Open Market Committee (FOMC) increased interest rates in December 2017 by 0.25% and again in March, raising the policy rate target range to 1.50% - 1.75%. The Fed is expected to deliver two more increases in 2018 and a further two in 2019. However, the imposition of tariffs on a broadening range of goods initiated by the US, which has led to retaliation by China, could escalate into a deep-rooted trade war having broader economic consequences including inflation rising rapidly, warranting more interest rate hikes.

Financial markets:

11.6. The increase in Bank Rate resulted in higher money markets rates: 1-month, 3-month and 12-month LIBID rates averaged 0.32%, 0.39% and 0.69% and at 31st March 2018 were 0.43%, 0.72% and 1.12% respectively.

11.7. Gilt yields displayed significant volatility over the twelve-month period with the change in sentiment in the Bank of England's outlook for interest rates. The yield on the 5-year gilts which had fallen to 0.35% in mid-June rose to 1.65% by the end of March. 10-year gilt yields also rose from their lows of 0.93% in June to 1.65% by mid-February before falling back to 1.35% at year-end. 20-year gilt yields followed an even more erratic path with lows of 1.62% in June, and highs of 2.03% in February, only to plummet back down to 1.70% by the end of the financial year.

11.8. The FTSE 100 had a strong finish to calendar 2017, reaching yet another record high of 7688, before plummeting below 7000 at the beginning of 2018 in the global equity correction and sell-off.

Credit background:

11.9. In the first quarter of the financial year, UK bank credit default swaps reached three-year lows on the announcement that the Funding for Lending Scheme, which gave banks access to cheaper funding, was being extended to 2018. For the rest of the year, CDS prices remained broadly flat.

11.10. The rules for UK banks' ring-fencing were finalised by the Prudential Regulation Authority and banks began the complex implementation process ahead of the statutory deadline of 1st January 2019. As there was some uncertainty surrounding which banking entities the Authority would will be dealing with once ring-fencing was implemented and what the balance sheets of the ring-fenced and non ring-fenced entities would look would actually look like, in May 2017 Arlingclose advised adjusting downwards the maturity limit for unsecured investments to a maximum of 6 months. The rating agencies had slightly varying views on the creditworthiness of the restructured entities.

11.11. Barclays was the first to complete its ring-fence restructure over the 2018 Easter weekend; wholesale deposits including local authority deposits will henceforth be accepted by Barclays Bank plc (branded Barclays International), which is the non ring-fenced bank.

Money Market Fund regulation:

11.12. The new EU regulations for Money Market Funds (MMFs) were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility Net Asset Value (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

Credit Rating developments

11.13. The most significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities.

11.14. Changes to credit ratings included Moody's downgrade of Standard Chartered Bank's long-term rating to A1 from Aa3 and the placing of UK banks' long-term ratings on review to reflect the impending ring-fencing of retail activity from investment banking (Barclays, HSBC and RBS were on review for downgrade; Lloyds Bank, Bank of Scotland and National Westminster Bank were placed on review for upgrade).

11.15. Standard & Poor's (S&P) revised upwards the outlook of various UK banks and building societies to positive or stable and simultaneously affirmed their long and short-term ratings, reflecting the institutions' resilience, progress in meeting regulatory capital requirements and being better positioned to deal with uncertainties and potential turbulence in the run-up to the UK's exit from the EU in March 2019. The agency upgraded Barclays Bank's long-term rating to A from A- after the bank announced its plans for its entities post ring-fencing.

11.16. Fitch revised the outlook on Nationwide Building Society to negative and later downgraded the institution's long-term ratings due to its reducing buffer of junior debt. S&P revised the society's outlook from positive to stable.

11.17. S&P downgraded Transport for London to AA- from AA following a deterioration in its financial position.

Other developments:

11.18. In February, Arlingclose advised against lending to Northamptonshire County Council (NCC). NCC issued a section 114 notice in the light of severe financial challenge and the risk that it would not be in a position to deliver a balanced budget.

11.19. In March, following Arlingclose’s advice, the Authority removed RBS plc and National Westminster Bank from its counterparty list. This did not reflect any change to the creditworthiness of either bank, but a tightening in Arlingclose’s recommended minimum credit rating criteria to A- from BBB+ for FY 2018-19. The current long-term ratings of RBS and NatWest do not meet this minimum criterion, although if following ring-fencing NatWest is upgraded, the bank would be reinstated on the Authority’s lending list.

Local Authority Regulatory Changes:

11.20. Revised CIPFA Codes: CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017. CIPFA have clarified that these changes should be implemented from 2019/20, as the late publication in December 2017 meant that the vast majority of Authorities were unable to implement these for the 2018/19 year.

11.21. The 2017 Prudential Code introduces the requirement for a Capital Strategy which provides a high-level overview of the long-term context of capital expenditure and investment decisions and their associated risks and rewards along with an overview of how risk is managed for future financial sustainability. Where this strategy is produced and approved by full Council, the determination of the Treasury Management Strategy can be delegated to a committee. The Code also expands on the process and governance issues of capital expenditure and investment decisions.

11.22. Haringey has an existing capital strategy, this will be refreshed in line with CIPFA guidance for the new capital strategy requirement, which will be published later in 2018. The capital strategy will be published before the 2019/20 financial year.

11.23. In the 2017 Treasury Management Code the definition of ‘investments’ has been widened to include financial assets as well as non-financial assets held primarily for financial returns such as investment property. These, along with other investments made for non-treasury management purposes such as loans supporting service outcomes and investments in subsidiaries, must be discussed in the Capital Strategy or Investment Strategy. Additional risks of such investments are to be set out clearly and the impact on financial sustainability is be identified and reported.

MHCLG Investment Guidance :

11.24. Changes to the Investment Guidance include a wider definition of investments to include non-financial assets held primarily for generating income return and a new category called “loans” (e.g.

temporary transfer of cash to a third party, joint venture, subsidiary or associate). The Guidance introduces the concept of proportionality, proposes additional disclosure for borrowing solely to invest and also specifies additional indicators. Investment strategies must detail the extent to which service delivery objectives are reliant on investment income and a contingency plan should yields on investments fall.

<u>MHCLG Minimum Revenue Provision (MRP):</u>

11.25. In February 2018 the MHCLG (Ministry of Housing, Communities and Local Government) published revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision (MRP).

11.26. The definition of prudent MRP has been changed to “put aside revenue over time to cover the CFR”; it cannot be a negative charge and can only be zero if the CFR is nil or negative. Guidance on asset lives has been updated, applying to any calculation using asset lives. Any change in MRP policy cannot create an overpayment; the new policy must be applied to the outstanding CFR going forward only.

<u>MiFID II:</u>

11.27. As a result of the second Markets in Financial Instruments Directive (MiFID II), from 3rd January 2018 local authorities were automatically treated as retail clients but could “opt up” to professional client status, providing certain criteria was met which includes having an investment balance of at least £10 million and the person(s) authorised to make investment decisions on behalf of the authority have at least a year’s relevant professional experience. In addition, the regulated financial services firms to whom this directive applies have had to assess that that person(s) have the expertise, experience and knowledge to make investment decisions and understand the risks involved.

11.28. Haringey has met the conditions to opt up to professional status and has done so in order to maintain its erstwhile MiFID II status prior to January 2018. The Authority will continue to have access to products including money market funds, pooled funds, treasury bills, and to financial advice.

12. Local Context

12.1. At 31/3/2018 the Council’s underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR), and shown in the Council’s Statement of Accounts was £592.0m. The Council had actual borrowing of £365.4m and £45.9m of investments. The difference represents timing differences in cash received and paid, internal borrowing, i.e. the use of cash which represents reserves and balances rather than the externalising of debt, and the use of lease-type arrangements for the acquisition of assets.

12.2. The Council's current strategy is to maintain borrowing below the Capital Financing Requirement (CFR), this is referred to as internal borrowing.

12.3. The Council has an increasing CFR over the next 3 years due to the capital programme, but minimal investments which can be used to fund capital plan cashflows. The Council is likely to need to borrow over the forecast 3 year period.

13. Borrowing Strategy During the Year

13.1. At 31/03/2018 the Council held £307.4m of long term loans, (an increase of £36.8m on 31/3/2017).

13.2. The Council's chief objective when borrowing continues to be striking an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.

13.3. For the majority of the year the "cost of carry" analysis performed by the Authority's treasury management advisor Arlingclose did not indicate value in borrowing **in advance** for future years' planned expenditure and therefore none was taken.

Borrowing Activity

Borrowing	Balance at 1 Apr 2017 £'000	Borrowing Raised £'000	Maturities £'000	Balance at 31 March 2018 £'000	Avg Rate %
Short term Borrowing - UK Local Authorities	76,400	282,000	300,400	58,000	0.35
Long Term Borrowing					
- PWLB	145,646	50,000	13,265	182,381	5.18
- LOBO	125,000	0	0	125,000	4.72
TOTAL BORROWING	347,046	332,000	313,665	365,381	4.26

13.4. The Council holds £125m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £75m of these LOBOS had options during the 2017/18 financial year, none of which were exercised by the lenders. The Council acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

14. Investment Activities

14.1. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. Average investment balances were £25m in 2017/18.

14.2. The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles

14.3. The Council has sought to minimise its security risk by setting limits on each institution on the lending list. The Council has complied with all these limits during the financial year to date.

14.4. The economic environment remains uncertain, and given this background, the Council has kept cash investments to a minimum and short term. Money Market Funds continue to be used extensively as the portfolios are spread across a range of underlying investments to diversify risk. They also provide instant access enabling officers to take action quickly if there are any concerns about creditworthiness. The remainder of the Council's investments are held with the DMO (government agency).

Investment Activity

Investments	Balance at 1 Apr 2017 £'000	Investments Made £'000	Maturities £'000	Balance at 31 March 2018 £'000	Avg Rate /Yield %
Short term Investments (call accounts, depos					
- Banks & Building Societies	0	0	0	0	0
UK Government:					
- Deposits at Debt Management Office	10,000	747,240	721,295	35,945	0.19
- UK Local Authorities	0	10,000	0	10,000	0.75
Money Market Funds	8,575	340,455	349,030	0	0.24
TOTAL INVESTMENTS	18,575	1,097,695	1,070,325	45,945	0.25

*The balances shown above as at 1 April and 31 March represent a snapshot on a particular day, balances can move significantly from day to day dependent on the Council's cashflows at a point in time.

Credit Risk

14.5. The table below shows counterparty credit quality as measured by credit ratings on the final day of each quarter during the year. The table also shows the percentage of the in-house investment portfolio exposed to bail-in risk. Bail-in is the response to the government bail-outs in the global financial crisis, when a number of banks failed and received government bail-outs in 2008. Under bail-in, unsecured deposits made with certain financial institutions would be at risk, should the institution fail, and investors would lose a portion of their invested funds. The below table shows a snapshot at a point in time, and movements in the figures do not reflect changes in policy or strategy, but are indicative of the Council's cashflows on that particular date.

Date	Value Weighted Average - Credit Risk Score	Value Weighted Average - Credit Rating	Time Weighted Average - Credit Risk Score	Time Weighted Average - Credit Rating	Investments exposed to bail-in risk %
31/03/2017	3.49	AA	3.06	AA	46
30/06/2017	4.54	A+	4.54	A+	100
30/09/2017	4.39	AA-	4.39	AA-	100
30/12/2017	4.25	AA-	3.78	AA-	60
31/03/2018	3.14	AA	3.60	AA-	0

Scoring:
-Value weighted average reflects the credit quality of investments according to the size of the deposit
-Time weighted average reflects the credit quality of investments according to the maturity of the deposit
-AAA = highest credit quality = 1
- D = lowest credit quality = 26
-Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

Budgeted Income and Outturn

14.6. The UK Bank Rate had been maintained at 0.25% since August 2016, but was increased to 0.50% on 2 November 2017. Short-term money market rates have increased slightly, but not commensurately, and but remain at historically low levels.

14.7. Treasury Investments generated an average rate of 0.25%. The Council's investment income for the year totalled £63.5k against a budget of £136.5k.

14.8. Borrowing costs were £14.0m (£3.5m General Fund, £10.5m HRA) against a budget of £18.1m (£5.7m General Fund, £12.4m HRA). The underspend has occurred due to a number of factors, including: the current lower interest rate environment reducing interest costs for the Council, and delays in the capital programme's delivery.

15. Compliance with Prudential Indicators

15.1. The Council confirms compliance with its Prudential Indicators for 2017/18, which was set in February 2017 as part of the Council's Treasury Management Strategy Statement.

Treasury Management Indicator

15.2. The Council measures and manages its exposures to treasury management risks using the following indicators.

15.3. **Interest Rate Exposures**: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed were:

	2017/18	2018/19	2019/20
Upper limit on fixed interest rate exposure	100%	100%	100%
Actual	81%		
Upper limit on variable interest rate exposure	60%	60%	60%
Actual	19%		

15.4. Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

15.5. **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing are:

Maturity structure of borrowing (U: upper, L: lower)	L	U	Outturn as at 31 Mar 2018
under 12 months	0%	60%	19.1%
12 months & within 2 years	0%	40%	2.3%
2 years & within 5 years	0%	40%	5.4%
5 years & within 10 years	0%	40%	5.2%
10 yrs & within 20 yrs	0%	40%	4.7%
20 yrs & within 30 yrs	0%	40%	15.1%
30 yrs & within 40 yrs	0%	50%	25.1%
40 yrs & within 50 yrs	0%	50%	23.2%
50 yrs & above	0%	40%	0.0%

15.6. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

15.7. **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. Given the policy of spending down cash balances and use of internal borrowing the Council does not expect to invest beyond 364 days in the medium term.

Appendix 1: Treasury & Prudential Indicators

No.	Prudential Indicator	2017/18 Original Indicator	2017/18 Outturn Position
CAPITAL INDICATORS			
1	Capital Expenditure	£'000	£'000
	General Fund	133,941	40,381
	HRA	68,901	38,966
	TOTAL	202,842	79,347
2	Ratio of financing costs to net revenue stream	%	%
	General Fund	2.18	1.41
	HRA	9.87	9.59
3	Capital Financing Requirement	£'000	£'000
	General Fund	374,671	343,306
	HRA	278,721	248,670
	TOTAL	653,392	591,976
4	Incremental impact of capital investment decisions	£	£
	Band D Council Tax	13.75	5.91
	Weekly Housing rents	0.20	0.00
5	Borrowing Limits	£'000	£'000
	Authorised Limit / actual debt	536,063	365,381
	Operational Boundary/actual debt	481,105	365,381

No.	Prudential Indicator	2017/18 Original Indicator		31-Mar-18
6	HRA Debt Cap	£'000		£'000
	Headroom	56,442		78,868
7	Gross debt compared to CFR	£'000		£'000
	Gross debt	347,046		365,381
	CFR	653,392		591,976
8	Upper limit – fixed rate exposure	100%		80.9%
	Upper limit – variable rate	60%		19.1%
9	Maturity structure of borrowing (U: upper, L: lower)	**L**	**U**	**31-Mar-18**
	under 12 months	0%	60%	19.1%
	12 months & within 2 years	0%	40%	2.3%
	2 years & within 5 years	0%	40%	5.4%
	5 years & within 10 years	0%	40%	5.2%
	10 yrs & within 20 yrs	0%	40%	4.7%
	20 yrs & within 30 yrs	0%	40%	15.1%
	30 yrs & within 40 yrs	0%	50%	25.1%
	40 yrs & within 50 yrs	0%	50%	23.2%
	50 yrs & above	0%	40%	0.0%
10	Sums invested for > 364 days	£0		£0
11	Adoption of CIPFA Treasury Management Code of Practice	√		√
12	**LOBO Adjusted** Maturity structure of borrowing (U: upper, L: lower)	L	U	**31-Mar-18**
	under 12 months	0%	60%	46.4%
	12 months & within 2 years	0%	40%	9.2%
	2 years & within 5 years	0%	40%	5.4%
	5 years & within 10 years	0%	40%	5.2%
	10 yrs & within 20 yrs	0%	40%	4.7%
	20 yrs & within 30 yrs	0%	40%	12.3%
	30 yrs & within 40 yrs	0%	50%	14.2%
	40 yrs & within 50 yrs	0%	50%	2.6%
	50 yrs & above	0%	40%	0.0%