Report To:	**AUDIT PANEL**
Date:	27 July 2021
Executive Member/Reporting Officer:	Councillor Ryan – Executive Member – Finance and Economic Growth Kathy Roe – Director of Finance
Subject:	**TREASURY MANAGEMENT ACTIVITIES**
Report Summary:	The report sets out the Treasury Management activities for the financial year 2020/21. As investment interest rates were lower than external borrowing rates throughout the year, available cash reserves were used to fund internal borrowing on a temporary basis. This resulted in lower than anticipated borrowing costs, with an overall interest saving of £0.589m, due to a combination of strong investment returns and borrowing being taken up at a time of favourable interest rates. At year-end the total investment balance was £94m and total long term borrowing was £151m. Investment income was £1.866m.
Recommendations:	Audit Panel are asked to: 1. Note the treasury management activities undertaken on behalf of both Tameside MBC and the Greater Manchester Metropolitan Debt Administration Fund (GMMDAF). 2. Note the outturn position for the prudential indicators in **Appendix A.**
Links to Community Strategy:	The Treasury Management function of the Council underpins the ability to finance the Council's priorities.
Policy Implications:	In line with Council Policies
Financial Implications: **(Authorised by the Section 151 Officer)**	The minimisation of the cost of financing the Council's debt through repayment, conversion and rescheduling, together with interest earned by investing short term cash surpluses, is a crucial part of the Council's medium term financial strategy. This has to be carefully balanced against the level of risk incurred. The financial implications are determined by: 1. The value and timing of any borrowing undertaken (if any) 2. The amount of cash available for investment and the return achieved on this investment A saving on interest paid of £0.589m was achieved against the 2020/21 budget. Borrowing and investment rates will continue to be monitored in order to ensure any borrowing is taken up at the optimum time. The investment returns for 2020/21 were £0.724m greater than the London Interbank Bid Rate (LIBID) benchmark, reflecting a proactive approach to cash forecasting, balancing liquidity with the marginal increase in interest rates available on fixed term investments.

Legal Implications:

(Authorised by the Borough Solicitor)

There is a statutory duty for the Council to set, monitor and comply with its requirements to ensure a balanced budget, and sound treasury management is a key tool in managing this process. Demonstration of sound treasury management will in turn provide confidence to the Council that it is complying with its fiduciary duty to the public purse, and allows the Council to better plan and fulfil its key priorities for the coming year. Members should ensure they understand the meaning of Appendix A and the outturn of prudential indicators they are being asked to approve, and the reasons for the same, before making their decision.

Risk Management:

Financial investments are inherently risky and a number of Local Authorities lost significant investments as part of the financial crisis in 2009. Through the Council's Treasury Management Advisers, a robust investment framework is used which aims to limit counterparty risk by only investing with high rated, institutions, placing limits on the size of investments with any one institution, and restricting the length of time that investments can be held with any one institution. Advice is also provided on the timing of any borrowings to try to minimise the rates paid. Failure to properly manage and monitor the Council's loans and investments could lead to service failure and loss of public confidence.

Access to Information:

The background papers relating to this report can be inspected by contacting Tom Austin, Financial Management, by:

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1. INTRODUCTION

1.1 This is the Annual Report on Treasury Management for the financial year 2020/21. The report is required to be submitted to the Overview (Audit) Panel, in accordance with CIPFA's Code of Practice on Treasury Management, the Council's Financial Regulations and the CIPFA Prudential Code.

1.2 The report is in respect of both Tameside and the Greater Manchester Metropolitan Debt Administration Fund (GMMDAF), which is the former Greater Manchester County Council Debt of which Tameside is the responsible Authority on behalf of the ten Greater Manchester Councils.

The objective of the report is:

a) To outline how the treasury function was managed during the year and how this compares to the agreed strategy.
b) To set out the transactions made in the year;
c) To summarise the positions with regard to loans and investments at 31 March 2021; and
d) To set out the outturn position of the Council's prudential indicators.

2. TREASURY MANAGEMENT

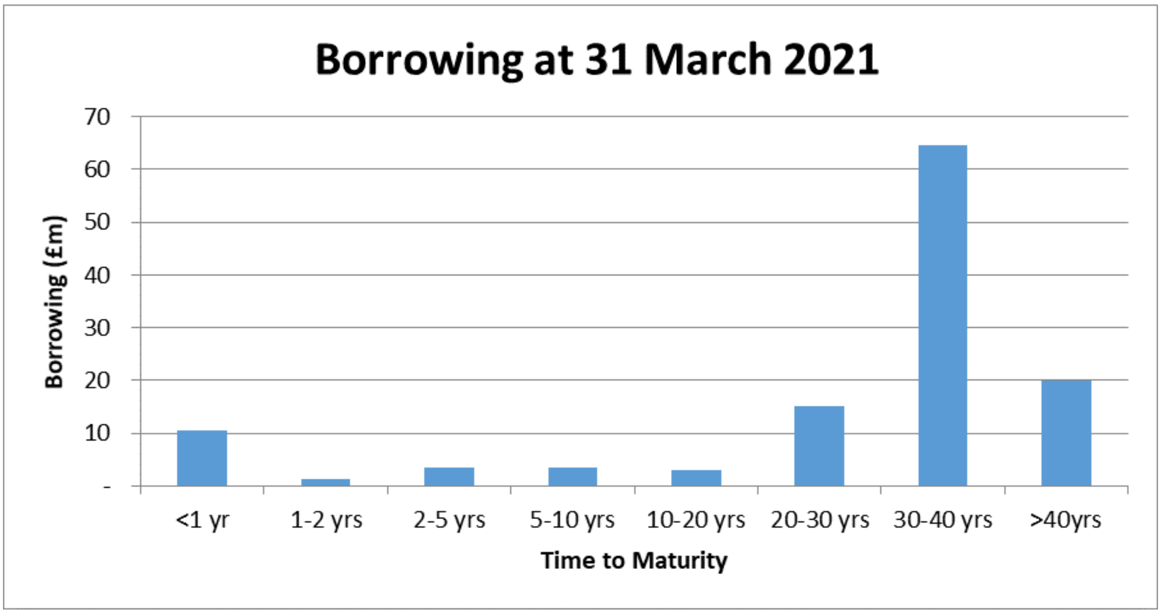
2.1 Treasury Management is defined as:
"The management of the local authority's cash flows, its borrowings and its investments, the management of associated risks, and the pursuit of the optimum performance or return associated with these risks".

2.2 Within this definition, the Council has traditionally operated a relatively low risk strategy. This in effect means that controls and strategy are designed to ensure that borrowing costs are kept reasonably low over the longer term, rather than subject to volatility that a high risk strategy might deliver. Where investments are involved, the policy is to ensure the security of the asset rather than pursue the highest returns available. These objectives are in line with the Code of Practice.

2.3 The global financial crisis has raised the overall possibility of default. The Council continues to maintain strict credit criteria for investment counterparties to manage this risk. A system of counterparty selection was agreed by the Council in the Treasury Management Strategy, as part of the budget setting process.

3. LONG TERM BORROWING

3.1 The long-term debt of the Council reflects capital expenditure financed by loans, which are yet to be repaid. Total borrowing at the start of the year was £141m. This increased to £151m by the end of the year following £10m of borrowing taken up in November 2020. The maturity profile as at 31st March is as follows:



3.2 The amount of long-term debt that the Council may have is governed by the Prudential Limits set by the Council at the start of the financial year. This is based on the amount of borrowing which the Council has deemed to be prudent. It also allows for advance borrowing for future years' capital expenditure.

3.3 The Council must also allow for repayment of the debt, by way of the Minimum Revenue Provision (MRP). This is the minimum amount that the Council must set aside annually. The Local Authority (Capital Finance and Accounting) Regulations 2008 revised the previous detailed regulations and introduced a duty that an authority calculates an amount of MRP which it considered prudent, although the 2008 Regulations do not define "prudent provision", they provide guidance to authorities on how they should interpret this.

3.4 The Council's MRP policy for 2020/21 was set out in the Treasury Management Strategy as part of the Budget Report. The MRP charge for the 2020/21 year was £4.272m.

3.5 The majority of the Council's debt has been borrowed from the Public Works Loan Board (PWLB), and is solely made up of long term fixed interest loans. In previous years use has also been made of loans from banks. The main type of loan used is called a LOBO (Lender's Option - Borrower's Option) where after a pre-set time the lending bank has the option of changing the original interest rate. These loans are classified as variable interest rate loans when they reach option date. If the Council does not agree with the new interest rate, it has the option of repaying the loan. One of the Council's LOBO providers, Barclays, has waived their right to change the rate on their LOBO. This essentially converted that loan into a standard fixed rate loan with no risk of any increase in rate. The Council's current LOBO and bank loan portfolio is as follows:

Principal (£m)	Lender	Current Rate (%)	Start Date	Maturity Date	Loan Type
5	Just Retirement Ltd	4.65	27/01/2003	27/01/2043	LOBO
10	KBC	4.375	09/04/2003	09/04/2043	LOBO
5	Dexia	4.5	16/12/2004	16/12/2054	LOBO
10	Barclays	3.8	23/11/2005	23/11/2065	Fixed
10	Dexia	4.31	03/08/2007	03/08/2077	LOBO

3.6 The mixture of fixed and variable rates means that, although the Council can take some advantage when base rates are considered attractive, interest charges are not subject to high volatility which might occur if all debt was variable. However, longer term fixed rates are normally higher than variable rates.

3.10 Short term borrowing and lending are used to support cash flow fluctuations caused by uneven income and expenditure, and to temporarily finance capital expenditure when long term rates are high and expected to fall. It is an extremely important aspect of Treasury Management to ensure that funds are available to meet the Council's commitments, and that temporary surplus funds attract the best available rates of interest.

4. INTEREST RATES

4.1 Interest rates (both long term and short term) vary constantly, even though headline rates (e.g. base rate, mortgage rate) may remain the same for months at a time.

4.2 In addition, different banks may pay different rates depending on their need for funds, and more particularly their credit status. Rates for borrowing are significantly higher than lending for the same period.

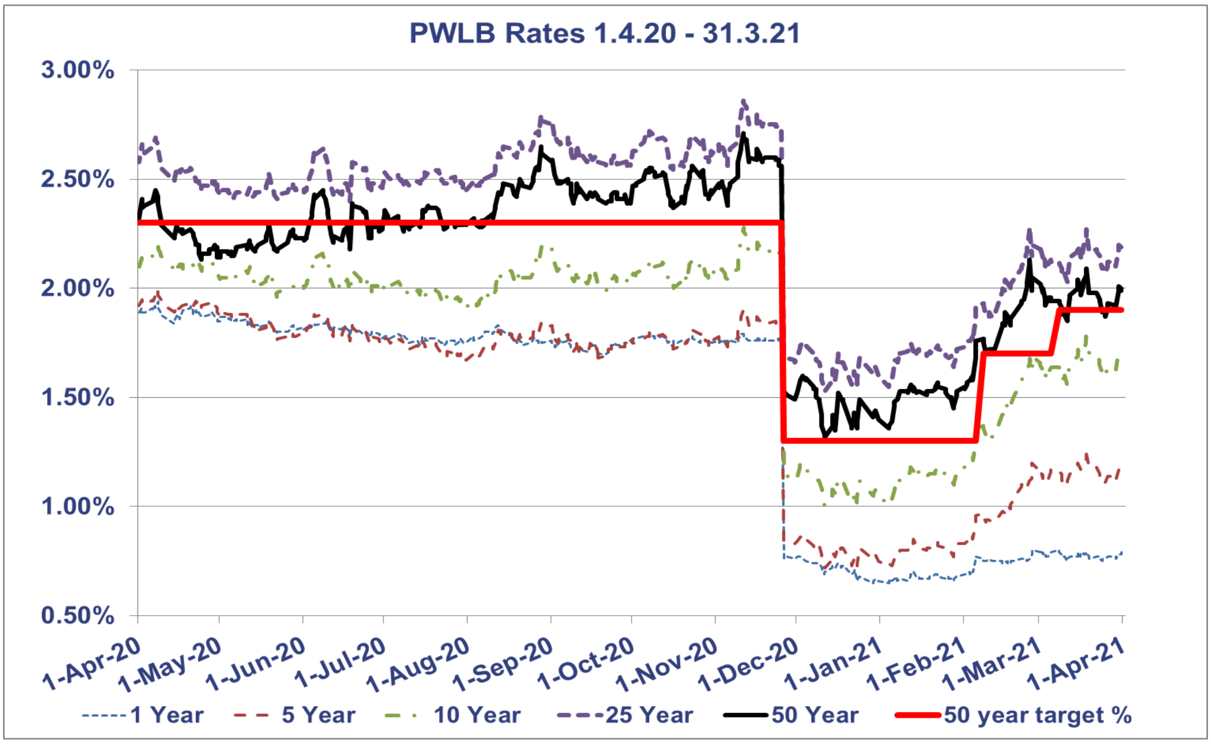
4.3 Long term interest rates are based on Government securities (Gilts), which are potentially volatile with rates changing every day, throughout the day. PWLB fixed loan rates are changed on a daily basis. In view of this, gilts and all matters which affect their prices are continually reviewed.

4.4 Investment returns, which had been low during 2019/20, plunged during 2020/21 to near zero or even into negative territory. The expectation for interest rates within the Treasury Management Strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic from March 2020, which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.

4.5 While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

4.6 Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

4.7 The table shown below (published by Link) shows the comparative Public Works Loan Board interest rates available during 2020/21, for a range of maturity periods.



5. ACTIVITIES 2020/21

Borrowing

5.1 The Council is able to borrow in order to finance capital expenditure that is not funded by other means such as grants and contributions. The Council has elected not to fully take up this borrowing due to unfavourable differences between borrowing and investment rates alongside existing large cash balances.

5.2 The amount of long term borrowing which was required due to Council activity was £63.866m as outlined below: -

	£m
Loan financed capital expenditure:	
Spend not Financed 20/21	19.725
Outstanding from prior years	48.063
plus debt maturing in year	0.350
Less MRP repayments (excl. PFI)	(4.272)
Net Borrowing requirement	**63.866**
Less Borrowing taken up in year	(10.000)
Net Under-borrowed position	**53.866**

5.3 Due to the unfavourable differences between borrowing rates and investment rates, and also to reduce the risk to the Council from investment security concerns, the Council's recent policy has been to meet the borrowing requirement from internal borrowing (i.e. reducing the cash balances rather than taking up additional external borrowing). This has reduced the level of investment balances that placed with banks and financial institutions, therefore reducing the Council's exposure to credit risk. In November 2020, due to favourable interest rates and a prudent approach to guarding against COVID related cash pressures, £10m of temporary (12 months) borrowing was taken up.

5.4 The outstanding borrowing requirement of £53.866m will be taken up when both interest rates and investment security are deemed to be favourable, in consultation with the Council's treasury management advisors, Link. The need to borrow could be accelerated by the reduction of the Council's reserves due to cost pressures and other planned use. This situation, along with the interest rate environment, will be monitored closely to ensure borrowing is taken up at the optimum time.

Rescheduling

5.5 Rescheduling involves the early repayment and re-borrowing of longer term PWLB loans, or converting fixed rate loans to variable and vice versa. This can involve paying a premium or receiving a discount, but is intended to reduce the overall interest burden, since the replacement loan (or reduction of investment) is normally borrowed at a lower interest rate.

5.6 The use of rescheduling is a valuable tool for the Council, but its success depends on the frequent movement of interest rates, and therefore it cannot be estimated for. It will continue to be used when suitable opportunities arise, in consultation with our treasury management advisors, although such opportunities may not occur.

5.7 No rescheduling was done during this year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

5.8 The Section 151 Officer and the Council's treasury management advisors will continue to monitor prevailing rates for any opportunities to reschedule debt during the year.

Year end position

5.9 The following table sets out the position of the Council's debt at 1 April 2020, the net movement for the year, and the final position at 31 March 2021.

	Debt Outstanding 01/04/20	Cash Movement in Year	Debt O/S 31/03/21
Principal Amounts	**£000**	**£000**	**£000**
PWLB - fixed interest	100,809	(350)	100,459
PWLB - variable interest	0		0
Market Loans	40,000	10,000	50,000
* Manchester Airport	550		550
Temp Loans / (Investments)	(131,165)	44,945	(86,220)
Trust Funds, Contractor Deposits etc.	151	2	153
Net loans outstanding	**10,345**	**54,597**	**64,942**

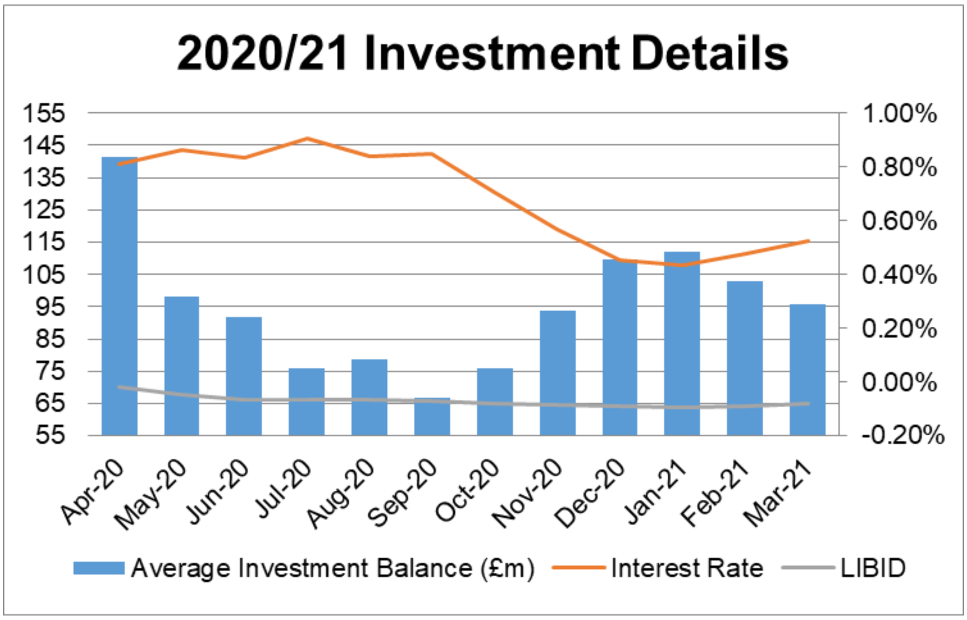
5.10 The amount of gross external loans outstanding (£151.0m) represents 26% of the Council's total long term assets (£590.4m) as at 31 March 2021.

5.11 In addition, the Council temporarily utilised internal funds, balances and reserves including Insurance Funds and capital reserves, to finance capital expenditure rather than borrow externally.

** Manchester Airport reflects debt taken over from Manchester City Council on 31 March 1994, which had been lent on to Manchester Airport. In 2009/10 the Airport re-negotiated the terms of this arrangement with the 10 Greater Manchester Authorities; previously the Airport reimbursed all costs, however from 9 February 2010 the Council receives fixed annual interest of 12% of the amount outstanding at that date (£8.667m). This is on a maturity basis and is due to be repaid in 2055.The underlying debt, shown above, is due to mature in 2027.*

Investments – managing cash flow

5.12 Short term cash flow activity was such that throughout the year the Council was always in a positive investment position. Since interest earned on credit balances with our own bankers is low, and overdraft rates are high, investment and borrowing is carried out through the London Money Markets. The Council invests large sums of money, which helps ensure the interest rates earned are competitive. The following table shows the average investment balances by month, along with the interest rate earned and the LIBID benchmark for comparison.



5.13 The Local Government Act 2003 governs investments made by local authorities. The types of investments that may be made are controlled by guidance from the Department for Communities and Local Government. This guidance has split investments into two main categories – specified and non-specified investments.

5.14 Specified investments consist mainly of deposits with very highly rated financial institutions and other local authorities for periods of less than one year. The Council's approved "Annual Investment Strategy" for 2020/21 stated that at least 50% of investments would be "specified".

5.15 The Council's counterparty list mirrors that of the Council's advisors, Link Asset Services. The Link Asset Services creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system; it does not give undue preponderance to just one agency's ratings.

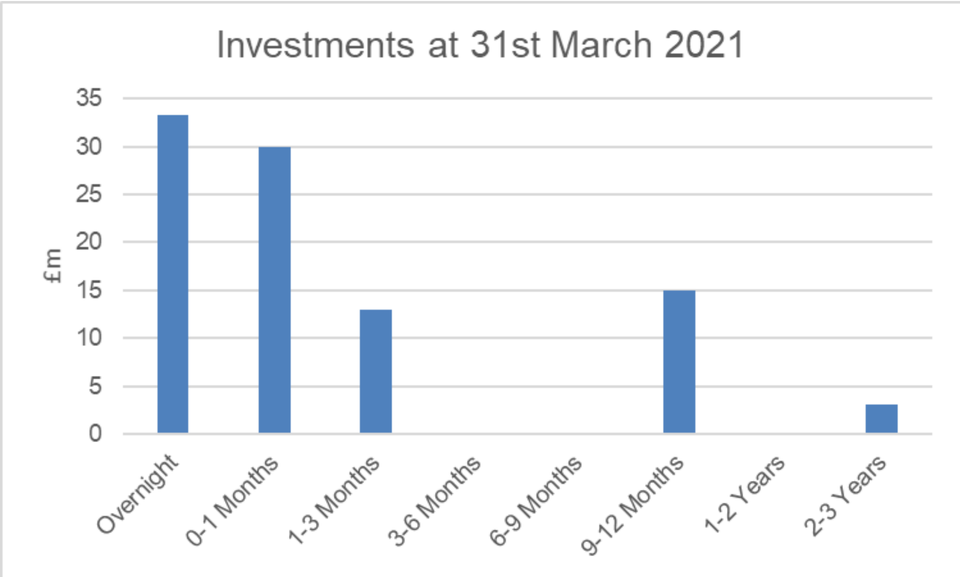
5.16 Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

5.17 All investments placed in the year were in line with the approved strategy. Within this low risk strategy, the aim is to maximise the rate of return for the investments. In order to gauge whether the performance is satisfactory, it is necessary to compare it with a suitable benchmark. The normal benchmarks used to measure market rates are 7 day London Interbank Offer Rate (LIBOR) for loans, and 7 day London Interbank Bid Rate (LIBID) for investments. The actual returns for loans and investments were therefore measured against the theoretical performance of the above rates, using actual cash flow figures.

5.18 Tameside achieved an average investment rate of 0.69% on the average weekly investment of £95.2m, against a benchmark LIBID rate of (0.07%). This equated to a gain of £0.724m. Gains, such as this, can only be made by strategic investment, where interest rates do not follow the general "market" expectations. In effect, some investments were made for longer durations, attracting higher interest rates, while the shorter dated rates did not increase in line with market pricing.

5.19 The annual turnover for investments was £490m. A total of 124 individual investments were made, 9 of which were fixed term deals with banks and other Local Authorities.

5.20 As at 31 March 2021 the total investment portfolio was £94.3m. This consisted of £33.3m of Money Market Fund investments and £61m of fixed investments. The weighted average rate of the entire portfolio at 31 March was 0.54%. The maturity profile of the investments was as follows:



Interest payable and receivable in the year

5.21 As detailed above, the £63.866m borrowing requirement has been reduced by £10m of borrowing taken up in year with the remainder met from internal borrowing. This has reduced the level of investment balances placed with banks and financial institutions.

5.22 The overall result of the various activities undertaken during the year was that net interest charge was £0.589m less than the original estimate.

5.23 Interest payments associated with the above activities were:-

	Budget	Actual	Variation
	£m	**£m**	**£m**
External Interest			
Paid on Loans etc	5.962	5.753	(0.209)
Less received on Investments	(1.670)	(1.866)	(0.196)
Net external Interest paid	**4.292**	**3.887**	**(0.405)**
Internal Interest Paid	0.200	0.016	(0.184)
Total Interest Paid	**4.492**	**3.903**	**(0.589)**

5.24 Accounting rules do not allow interest to be paid on internal funds and revenue balances. Payments however are made in respect of such funds as insurance and trust funds etc. held by the Council on behalf of external bodies. The net effect on the Council is neutral.

6. CURRENT ACTIVITIES

6.1 Since the start of the 2020/21 financial year, no new rescheduling opportunities have been identified. The portfolio of loans held by the Council is reviewed on a regular basis by both the Treasury Management Section and by the Council's treasury management advisors (Link Asset Services).

6.2 In the 2017/18 Strategy, the Council expanded its counterparty list to include asset backed investments. No investments of this nature have been made to date.

Manchester Airport

6.3 The Council has an historic 3.22% shareholding in Manchester Airport Group. This shareholding has been valued at £32m as at 31 March 2021. Prior to the COVID-19 pandemic, the Council was receiving significant dividend income from this investment (£6.4m in 2019) which was a key item in the Council's Medium Term Financial Strategy.

6.4 In recent years, further additional investment in Manchester Airport has been approved:

- A capital investment of £11.3m in Manchester Airport was approved by Executive Cabinet in February 2018. The investment takes the form of a shareholder loan which was funded from reserves. Interest will be paid at a rate of 10% per annum, which will generate a revenue stream for the Council of approximately £1m (after allowing for the loss of interest earned on cash used to fund the investment) which will support the revenue budget.
- In February 2019, Executive Cabinet approved an equity investment of £5.6m in Manchester Airport funded by prudential borrowing. The investment is expected to generate revenue income through returns of around 3.25% (after taking account of borrowing costs and debt repayment). It was originally envisaged that this income would begin to be received from 2021/21 onwards, although no amounts are yet assumed in the Medium Term Financial Plan (MTFP). The economic impact of COVID-19 is likely to mean that income from this investment will not be generated for a number of years and will be dependent on the speed and scale of recovery in the Aviation Sector
- In July 2020, the In April 2020, Executive Cabinet approved a further investment of £9.7m in Manchester Airport in the form of an equity loan, which will be funded by prudential borrowing. The loan is intended to provide financial stability to Manchester Airport Group and ensure it is best-placed to react and rebuild business operations as Covid restrictions are lifted. The investment completed in June 2020 and will generate revenue income through interest earned of 10% per annum.

6.5 The COVID-19 pandemic has had a significant impact on the Aviation Industry. Whilst the expectation is that interest on loans and investments will continue to be accrued, the annual dividend is not expected to be payable for a number of years, placing a £6.4m pressure on the revenue budget.

7. GREATER MANCHETSER METROPOLITAN DEBT ADMINISTRATION FUND (GMMDAF) ACTIVITIES

7.1 Tameside Council is the lead council responsible for the administration of the debt of the former Greater Manchester County Council, on behalf of all ten Greater Manchester Metropolitan Authorities. All expenditure of the fund is shared by the authorities on a population basis.

7.2 The GMMDAF incurs no capital expenditure, and therefore the total debt outstanding reduces annually by the amount of debt repaid by the constituent authorities. However, further loans are taken out to replace loans that mature during the year. In addition, short term loans and investments are required to optimise the cashflow position, due to the difference in timing between receiving payments from the ten district councils and making loan and interest payments to the PWLB etc. Like the Council, rescheduling opportunities are taken if the right conditions exist.

7.3 During 2020/21 the debt outstanding reduced by £19.518m. The debt will be fully repaid by 31 March 2022.

7.4 The following table sets out the position at 1 April 2020, the net repayments and the final position at 31 March 2021.

Principal Amounts	Debt O/S 01/04/20	Movement in year	Debt O/S 31/03/21
	£000	**£000**	**£000**
PWLB	38,963	(13,100)	25,863
Pre 1974 Transferred Debt	96	(30)	66
Temp Loans / (Investments)	66	(6,111)	(6,045)
Other Balances	1,173	(277)	896
	40,298	**(19,518)**	**20,780**

7.5 No long term borrowing was required for 2020/21. The timing of any future borrowing will be carried out in consultation with our treasury management advisors, when interest rates are deemed favourable. However, it is unlikely that any long term borrowing will be taken up due to the limited remaining duration of the fund.

7.6 Although the portfolio of loans held by the Fund is reviewed on a regular basis by both Treasury Management officers and by the Council's treasury management advisors, Link Asset Services, no rescheduling opportunities were identified in 2020/21. Rescheduling will continue to be used when suitable opportunities arise, however long term borrowing is restricted by the end date of the Fund (2022), which has meant that it is difficult to reschedule debt in the present interest rate yield curve.

7.7 During the year, the fund made overall interest payments of £2.608m. This equated to an average "pool rate" of 6.47%, against the original estimate of 6.50%, and compares with 5.65% in 2019/20.

7.8 Manchester Airport re-negotiated the terms of its loan arrangement with the 10 Greater Manchester Councils in 2009/10. As a result of this arrangement the 10 Councils took responsibility to service the former Manchester Airport share of the GMMDAF. Previously the debt was serviced by the airport itself.

8. PRUDENTIAL LIMITS

8.1 At the start of the financial year the Council sets Prudential Indicators and limits in respect of Capital expenditure and borrowing. The outturn position for the Prudential Indicators are shown at **Appendix A**. Prudential indicators do not provide an effective comparative tool between Local Authorities, and therefore should not be used for this purpose.

9. RECOMMENDATIONS

9.1 As set out on the front of the report.

APPENDIX A

Prudential Indicators – Actual outturn 2020/21

1. **Ratio of Financing Costs to Net Revenue Stream**

Limit/Indicator	Limit	Actual
	%	%
Ratio of financing costs to net revenue stream	4.6	4.5

- This ratio represents the total of all financing costs e.g. interest payable and minimum revenue provision (MRP) that are charged to the revenue budget as a percentage of the amount to be met from Government grants and taxpayers (net revenue stream).

2. **Capital Financing Requirement (CFR)**

Limit/Indicator	Limit	Actual
	£000	£000
Capital Financing Requirement	191,128	191,128

- The Capital Financing Requirement is aimed to represent the underlying need to borrow for a capital purpose and is calculated from the aggregate of specified items on the balance sheet.
- The CFR increases by the value of capital expenditure not immediately financed (i.e. borrowing) and is reduced by the annual MRP repayment.

3. **Capital Expenditure**

Limit/Indicator	Limit	Actual
	£000	£000
Capital expenditure	79,710	43,593

- This is the total capital expenditure incurred (from all funding sources).

4. **Incremental Impact of Capital Investment Decisions**

Limit/Indicator	Limit	Actual
	£	£
For the Band D Council Tax	4.24	0.29

- This is the estimate of the net incremental impact of the capital investment decisions, based on the level of borrowing set out in the report and reflects the total cost of this additional borrowing (interest payments and minimum revenue provision), as a cost on Council Tax.
- The actual cost will depend on final funding. For every £1 increase on Band D properties, approximately £0.063m would be raised.

5. **Operational Boundary and Authorised Limit on External Debt and Other Long Term Liabilities**

Limit/Indicator	Limit	Actual
	£000	£000
Operational Boundary for external debt	202,431	151,160
Authorised Limit for external debt	222,431	151,160

- The Authorised Limit for External Debt sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council.
- The operational boundary for External Debt comprises the Council's existing debt plus the most likely estimate of capital expenditure/financing for the year. It excludes any projections for cash flow movements. Unlike the authorised limit breaches of the operational boundary (due to cash flow movements) are allowed during the year as long as they are not sustained over a period of time.
- These limits include provision for borrowing in advance of the Council's requirement for future capital expenditure. This may be carried out if it is thought to be financially advantageous to the Council.

6. **Upper and lower limits on Interest Rate Exposures**

Limit/Indicator	Limit	Actual

	£000	£000
Upper limit for fixed interest rate exposure	191,128	59,834
Upper limit for variable interest rate exposure	63,709	(64,115)

- These limits are in respect of our exposure to the effects of changes in interest rates.
- The limits reflect the net amounts of fixed/variable rate debt (i.e. fixed/variable loans less fixed/variable investments).

7. Upper Limit for Total Principal Sums Invested for Over 364 Days

Limit/Indicator	Limit	Actual
	£000	£000
Upper limit for sums invested over 364 days	30,000	3,000

- This limit is in respect of treasury investments made for a duration longer than one year.

8. Maturity structure for fixed rate borrowing

Indicator	Limit	Outturn
Under 12 months	0% to 15%	6.87%
12 months and within 24 months	0% to 15%	0.81%
24 months and within 5 years	0% to 30%	2.25%
5 years and within 10 years	0% to 40%	2.35%
10 years and above	50% to 100%	87.73%

- This indicator is in respect of all of the Council's fixed rate borrowing with PWLB or other market lenders.