DERBY CITY COUNCIL

COUNCIL CABINET
31 JULY 2007

ITEM 15

Cabinet Member for Corporate Policy

Treasury Management – Annual Report 2006/07

SUMMARY

1.1 This report details the outturn position for prudential indicators and reports on treasury management activity during 2006/07.

1.2 The outturn prudential indicators for 2006/07 are set out in Appendix 2. This shows that the Council's borrowing for capital financing purposes over the course of the year was within the limits set by Cabinet at its meeting on 21 February 2006.

1.3 The results of treasury management borrowing and investment activity in 2006/07 are set out in the supporting information. This shows that:

- new borrowing in 2006/07 was taken at an average rate of 4.30%
- returns on investments averaged 4.97%, which is relatively well above the weighted average Bank of England base rate of 4.83%.

1.4 Subject to any issues raised at the meeting, I support the following recommendations.

RECOMMENDATIONS

2.1 To note the prudential indicators in respect of the 2006/07 outturn as outlined in the supporting information and summarised in Appendix 2.

2.2 To approve the updated prudential indicators for 2007/08 and 2008/09 as listed in Appendix 2, noting that the changes are as a result of the reported 2006/07 outturn position and updates to the capital programme, notably the increase reported in June 2007 of £25m towards the cost of a new waste disposal facility.

2.3 To approve this Annual Report in respect of Treasury Management activity for 2006/07.

DERBY CITY COUNCIL

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Report of the Acting Corporate Director - Resources

Treasury Management – Annual Report 2006/07

SUPPORTING INFORMATION

1 Background – the Prudential Code

1.1 This report sets out the outturn position for the prudential indicators and reports on treasury management activity during 2006/07, consistent with the Council's duties under the Prudential Code.

1.2 The Prudential Code for Capital Finance in Local Authorities requires that the Council adopts a set of annual prudential indicators relating to Capital and Treasury Management, and approves, annually, a Treasury Management Strategy, incorporating an Annual Investment Strategy.

1.3 Prudential indicators are grouped into the following categories:

- Plans for capital expenditure
- Borrowing Limits
- Affordability
- Treasury Management.

1.4 They are set and reviewed having regard to the following:

- Affordability – for example the effect on Council Tax
- Prudence and sustainability – for example the implications of external borrowing on the plans
- Value for money - for example through option appraisal
- Stewardship of assets – for example through asset management planning
- Service objectives – for example through strategic planning processes
- Practicality – for example the achievability of the forward plan.

1.5 This report sets out the approved prudential indicators, together with the outturn position for each, giving explanations for variances as necessary. The indicators covering treasury management activity are shown later in the report, in the section covering this area. Appendix 2 to the report provides a summary of all the prudential indicators.

1.6 It should be noted that some prudential indicators for 2007/08 and 2008/09 have been updated insofar as they reflect consequential changes from the outturn position for 2006/07, and also to reflect increases to the capital programme approved since the report in February, notably the prospective spending of £25m on a loan towards a joint waste disposal facility that was approved by Cabinet in June 2007.

1.7 It is also a requirement of the Prudential Code for the Council to have adopted the CIPFA Code of Practice for Treasury Management. The Council adopted this Code of Practice in April 2002, and has adhered to it since. Part of the Code requires that a report on the whole of the financial year's activities of the treasury operation be presented to members with a responsibility for Treasury Management and sections 6 and 7 below cover this.

2 Plans for Capital Expenditure

2.1 The actual capital expenditure outturn for 2006/07 has been reported separately on this agenda. The actual indicators, consistent with this outturn are as follows, split between General Fund, GF, including unsupported borrowing, and Housing Revenue Account, HRA:

	GF	HRA	Total
	£m	£m	£m
Actual 05/06	45.3	31.1	76.4
Approval 06/07	67.7	10.0	77.7
Actual 06/07	59.6	9.9	69.5

2.2 The £8.1m variance in GF expenditure in 2006/07 mainly relates to £9.5m re-phasing of expenditure from 2006/07 to 2007/08. The detail of this can be seen in the capital outturn report for 2006/07 – Cabinet 31 July 2007. In addition, £1.6m of expenditure relating to the 2007/08 capital programme was brought forward into 2006/07, including amounts relating to the following major projects and others:

- Replacement of Sinfin School £0.53m
- Leesbrook Football Foundation £0.18m
- Ivy House School £0.10m

3 Borrowing Limits

3.1 The Capital Financing Requirement, or CFR, is the key indicator against which the Council's external borrowing is measured. The CFR is calculated for the current year using figures extracted from the Council's Balance Sheet as follows:

- Fixed Assets
- Long Term Investments
- Mortgages
- Deferred Charges
- Fixed Asset Restatement Account
- Capital Financing Account
- Government Grants Deferred
- Deferred Consideration
- Deferred Capital Receipts
- Intangible Assets.

3.2 The sum of these balances represents the maximum amount that the Council might expect to have borrowed to finance previous years' capital investments. Future year's CFRs are derived using the previous year's CFR, together with the increase in planned borrowing for the current year, less any principal repayments.

3.3 The actual CFRs for 2005/06 and 2006/07 are as follows:

CFR	General Fund	HRA	Total
	£m	£m	£m
2005/06 Actual	176.3	188.5	364.8
2006/07 Actual	193.7	189.5	383.2
Increase	17.4	1.0	18.4

Both the increases in General Fund and Housing relate to the extent to which borrowing has financed new capital expenditure less the amount required to be set aside for repayment of debts.

3.4 Section 3 of the 2003 Local Government Act imposes a duty on the Council to set a limit on how much money it can afford to borrow and to keep this under review. The 'authorised limit' is an absolute limit on borrowing, and may not be exceeded. Additionally, the Council must set an 'operational boundary' for borrowing. This is a level of borrowing that, if exceeded frequently, indicates a potential problem with the borrowing strategy. These targets are required to be set on a 'rolling' three-year basis.

3.5 In February 2006 the Council's operational boundary and authorised limit were set at £417m and £435m respectively for 2006/07. Gross external borrowing - £388.3m at the end of the year - remained within these limits at all times.

4 **Prudence**

4.1 The Prudential Code requires a comparison between total net external borrowing and the Council's CFR. This is to ensure that overall external borrowing exposure is not excessive. The requirement of the code is that external borrowing, net of any investments, should not exceed the CFR at the end of the final year of a 3 year programme: for the 2006/07 programme, this would be 2008/09, or £389m at the start of that year. With the increases in both public realm and waste disposal spending now included, the projected CFR is now substantially higher than this, and the overall limit is now £437m as set out in 4.2 below. In addition to the statutory indicator, a local indicator has been set – that gross external borrowing including transferred debt does not exceed the CFR. This local indicator is a better guide of the level of debt that can be sustained by the Council in the longer term.

4.2 The following sets out the official and local indicators:

	Official Indicator	**Local Indicator**	
	Net	Gross	
	External Debt	External Debt	CFR
		Inc T/f Debt	
	£m	£m	£m
Original 06/07	248.2	381.2	382.7
Actual 06/07	232.6	385.8	383.2
Estimated 07/08	274.7	404.3	407.5
Projected 08/09	303.4	417.8	422.4
Projected 09/10	324.8	430.6	436.8

4.3 The official indicator at 31 March 2007 was £150m below the current CFR. This is due to the exclusion of transferred debt over £40m from the official indicator and also to a reduction for the level of cash investments currently held by the Council. The projected position for 2009/10 indicates that there remains plenty of room for further external borrowing within the official indicator. This is not the same as being able to afford to take that amount of borrowing. The local indicator gives a better indication of whether the Council's capital spending plans are sustainable, and indicates that current plans are in line with the projected increase in the CFR.

5 Affordability

5.1 General Fund and HRA borrowing will result in additional revenue servicing costs. The code requires that a ratio of net revenue debt costs to the net revenue stream be produced to measure the relative levels of debt year on year. Based on the latest capital investment proposals, the indicators for Derby's GF and HRA in 2005/06 and 2006/07 are as follows:

	GF	HRA
Actual 2005/06	4.03%	24.76%
Actual 2006/07	7.05%	22.43%

The apparent increase in the rate for General Fund debt is mainly due to the exclusion of schools' spending from the Council's net budget requirement. Since 2006/07, Government funding for schools has been ringfenced through the Dedicated Schools Grant.

5.2 The other affordability measures are the impact of the cost of borrowing on the Council Tax and/or Housing Rents, even for schemes funded by central government borrowing approvals or by capital receipts. It is necessary to include all such schemes in the calculation because, regardless of the funding, capital expenditure represents a lost opportunity to reduce the council tax or rents. However, for the sake of this calculation, capital grant-funded spending is excluded as this is entirely met by scheme specific grants and therefore has no impact on the Council's financial position.

5.3 The Housing Rent calculation is purely notional as actual rents are guided by the "rent restructuring" regime rather than by levels of expenditure. The amounts represent the equivalent cost of capital being funded by the HRA from within the overall business plan.

5.4 The 2006/07 general fund Council Tax cost of £61.61 per Band D property represents the accumulated cost of the capital programme since the 1 April 2004 start of the prudential borrowing regime in 2004/05. The additional cost in 2006/07 was £34.95.

5.5 Prudential borrowing has in 2006/07 funded the following expenditure, totalling £6.581m:

- Equal Pay – capitalisation of back-pay with approval of CLG £3.953m
- Planned maintenance £1.323m
- Financial System replacement £0.372m
- Multi-Storey Car Parks £0.232m
- National Care Standards £0.200m
- Other £0.501m

5.6 A local indicator of the costs of additional unsupported borrowing is also shown in the appendix to try and maintain the original idea of estimating the impact on the Council Tax of individual decisions. This shows that a notional programme of £1m a year would increase Band D Council Tax by around £1.24 every year for each year of the programme.

6 Interest Rate Exposure

6.1 The other prudential indicators required for Treasury Management relate to the split of borrowing and investments between fixed and variable rates, and the maturity profile of long term loans and long term investments. The split in respect of 2006/07, and the comparative figures for 2005/06, are as follows:

2007	Upper Limit	Lower Limit	Actual 31 March 2007
	%	%	%
Interest Rate Exposure – Fixed	120	80	95.37
Interest Rate Exposure – Variable	20	-20	4.63

2006	Upper Limit	Lower Limit	Actual 31 March 2006
	%	%	%
Interest Rate Exposure – Fixed	120	80	101.92
Interest Rate Exposure – Variable	20	-20	-1.92

The indicators were adhered to throughout the year.

6.2 Although not required by the Code, the Council has set local indicators in respect of long-term borrowing and investments. The split as at 31 March 2007 and comparable figures for 2005/06 are as follows:

2007	Upper Limit	Lower Limit	Actual 31 March 2007
	%	%	%
Fixed Rates – Debt	100	80	93.42
Variable Rates – Debt	20	0	6.58
Fixed Rates – Investments	100	30	91.16
Variable Rates – Investments	70	0	8.84

2006	Upper Limit	Lower Limit	Actual 31 March 2006
	%	%	%
Fixed Rates – Debt	100	80	93.09
Variable Rates – Debt	20	0	6.91
Fixed Rates – Investments	100	30	73.18
Variable Rates – Investments	70	0	26.92

The limits were adhered to throughout 2006/07. The change from 2006 to 2007 in the balance of fixed and variable rate investments is due to a reduction in balances in the Business Reserve Accounts and the Money Market Funds. Towards the end of 2006/07 the proportion of investments held in variable rate funds was reduced as a result of fixing interest rates for longer periods at what were considered to be attractive interest rates at the time.

6.3 The current loan maturity profile, approved by Cabinet on 21 February 2006, along with the actual structure as at 31 March 2007, is as follows:

	Upper Limit	Lower Limit	Actual 2006/07
	%	%	%
Under a year	15	0	0.04
> 1 year and < 2 years	15	0	7.48
> 2 years and < 5 years	30	0	3.83
> 5 years and < 10 years	50	0	1.02
> 10 years	100	50	87.63

All actual profiles were comfortably within the boundaries set at the year-end and during the 2006/07 year.

6.4 The final treasury management indicator required is the limit at any one time on investments with a period to maturity of greater than 365 days. The limit, as agreed at Cabinet on 20 February 2007, is £45m. The actual level of investments maturing more than one year away ranged between £14m and £35m during 2006/07 and did not, therefore, exceed the limit. The balance at the end of the financial year was £14m. Within this, there is a balance of £2m maturing in excess of 2 years hence, compared to the limit set at Cabinet on 20 February 2007 of £25m.

7 Borrowing

7.1 The borrowing strategy for 2006/07 was approved on 21 February 2006. It identified a potential borrowing requirement of £28.9m, reduced by funding already available in the form of advanced borrowing. The table below indicates the expected position under the original strategy, the revised estimate reported to Cabinet on 20 February 2007 and the final outturn:

	Plan £m	Rev £m	Actual £m
2005/06 borrowing in excess of CFR	(1.3)	0.0	0.0
New supported borrowing SCE(R) 2006/07	16.4	15.7	15.8
Unsupported Borrowing	5.7	8.3	9.1
Total capital financed by borrowing	**20.8**	**24.0**	**24.9**
Long-term loan repayments 2006/07	8.1	8.2	8.1
Potential borrowing requirement 2006/07	28.9	32.2	33.0
less: earmarked for repayment of debt	(5.9)	(6.0)	(6.0)
Net increase in expected debt	23.0	26.2	27.0
Less: Borrowing in Advance of 2006/07	(15.0)	(6.0)	(6.2)
External borrowing requirement 2006/07	8.0	20.2	20.8

7.2 Total capital spending financed by borrowing has risen by £24.9m during 2006/07, £4.1m more than originally expected, as detailed in Table 4 of the Capital Outturn 2006/07 elsewhere on the agenda.

7.3 Actual external borrowing was £25m excluding restructuring. This included £5m intended as early borrowing for 2007/08. As the final requirement for borrowing was £20.8m, effectively £4.2m has been borrowed early. This will be deducted from this year's borrowing requirement.

7.4 The advice from our advisers at the time of compiling the Borrowing Strategy was that long-dated PWLB debt offered the best value for borrowing, and that commitment to medium-dated debt should be avoided. PWLB rates were expected to rise slightly early in 2006/07, but to drop back towards the end of the financial year. Reliance on variable debt was to be avoided, as it would leave the Council exposed to market fluctuations, and would not, therefore, minimise risk. The Strategy approved was that the Council should continue with its approach of taking mostly long dated fixed rate debt, where borrowing is necessary, and should consider opportunities to reschedule existing loans where savings can be made to reduce the debt charge costs to the authority.

7.5 Clearly, the cost of borrowing depends on the rate of interest at which PWLB loans are offered. The following table provides a snapshot of month end interest rates available on long-term borrowing for 2006/07:

Rates	April 06	June 06	Nov 06	Jan 07	March 07	May 07	July 07
	%	%	%	%	%	%	%
Base rate	4.50	4.50	5.00	5.25	5.25	5.50	5.75
PWLB 3 years	4.60	4.85	5.15	5.45	5.50	5.65	5.95
PWLB 7- 8 years	4.55	4.80	4.80	5.15	5.25	5.35	5.80
PWLB 20 – 25 years	4.40	4.55	4.40	4.65	4.80	4.95	5.25
PWLB 25 – 30 years	4.30	4.40	4.25	4.45	4.65	4.80	5.10
PWLB 45 – 50 years	4.20	4.30	4.10	4.30	4.45	4.60	4.85

7.6 There has been a general increase in rates across the yield curve in line with the increases in Base Rate. In the first quarter of 2007/08 the rates have increased still further, such that the cheapest long-term loan available in early July is 4.85% for 45 – 50 years duration.

7.7 During 2006/07 PWLB borrowing totalled £25m, £20.8m of which was used to finance 2006/07 capital expenditure and PWLB principal repayments during the year. This table shows the detail of new borrowing activity:

Date	Amount (£m)	Maturity (years)	Interest Rate %
25 August 2006	4.0	42.5	4.25
25 August 2006	4.0	42.5	4.25
28 September 2006	4.0	46.5	4.05
28 September 2006	3.0	46.0	4.05
16 January 2007	5.0	45.5	4.25
08 March 2007	5.0	45.5	4.25
Total/Average	**£25.0m**	**45.16**	**4.194%**

7.8 The strategy on borrowing was adapted in response to uncertain market conditions. Careful timing of borrowing enabled the authority to borrow at an average of 4.194%, considerably below the budgeted rate of 4.75%, for an average period of 45.16 years. This created an average saving of approximately 0.556% (or £139k pa.) on PWLB new borrowing for 2006/07. These savings were shared between the General Fund and Housing Revenue Account, as is required by regulations, although the subsidy available to the HRA was reduced to reflect the savings. The net saving to the General Fund was approximately £60k pa.

7.9 In addition, a further £59.174m of PWLB debt was repaid and replaced with £58.75m as part of rescheduling exercises, following advice from our external treasury advisers. The overall impact of these changes has been to save the Council's General Fund approximately £1.5m over the life of the existing loans. Borrowing in respect of restructuring was as follows:

Date	Amount (£m)	Period (years)	Interest Rate %
19 June 2006	3.0	20.5	4.50
19 June 2006	7.5	45.5	4.25
19 June 2006	4.0	35.5	4.30
19 June 2006	5.0	46.5	4.25
19 June 2006	6.0	35.5	4.30
19 June 2006	2.5	46.5	4.25
16 August 2006	7.0	31.5	4.45
16 August 2006	6.5	32.5	4.45
16 August 2006	7.0	31.5	4.45
25 August 2006	5.25	31.5	4.30
25 August 2006	5.0	31.5	4.30
Total/Average	**£58.75m**	**35.43**	**4.350%**

7.10 All of these loans were from the PWLB. Use of money market loans was avoided. It should also be noted that the authority undertook no short-term (ie. of less than 12 months) borrowing during 2006/07. The authority's general policy continues to be the maintenance of a positive cashflow by using capital receipts and revenue reserves and balances to avoid the need to borrow externally in the short term. However, the authority has an option to borrow in the short term should any unforeseen cash shortages arise on a day-to-day basis.

7.11 Total external debt outstanding at 1 April 2007 was £344.9m. This was made up of £322.2m PWLB loans and £22.7m LOBO (money market) loans. The maturity profile of external debt at 31 March 2007 was as follows:

Maturity Within	PWLB	Average rate	Market Loans	Average rate
	£m	%	£m	%
1 year	0.122	3.166		
1 – 2 years	3.114	9.269	22.700	4.450
2 – 3 years	10.102	9.560		
3– 4 years	3.091	8.831		
4– 5 years	0.018	3.940		
5 – 6 years	0.009	4.146		
6 – 10 years	3.510	9.111		
10 – 15 years	8.005	4.843		
15+ years	294.257	4.654		
TOTAL:				
31 Mar 2007	322.228	4.945	22.700	4.450
1 April 2006	305.774	5.178	22.700	4.450

7.12 Within the Statement of Accounts 2006/07 it was assumed – as above - that the Money Market Loans would be repaid on the next but one 'call date', i.e. June 2008. However, it should be noted that the interest rates on the market LOBO loans were increased in June 2007. Notification of this increase gave the Council the option to repay these loans, which it duly did on 12 June 2007.

8 Investments

8.1 In accordance with the CIPFA Code of Practice the primary objectives of the Council's investment strategy is to obtain the best rate of return whilst maintaining effective control of associated risks.

8.2 Short term cash surpluses are invested only with institutions on the Council's approved list of counterparties. Our investment counterparty criteria and limits are subject to continual review, which takes account of mergers/takeovers in the banking sector, movements in the 'league table' of the top 20 Building Societies, and other investment opportunities for local authorities.

8.3 The following investment activity took place during 2006/07:

Total Number of Investments:	324
Value of investments held at:	
1 April 2006	£104.230m
31 March 2007	£112.300m
Average size of portfolio 2006/07	£130.102m
Average size of portfolio 2005/06	£115.083m
Total interest earned on investments	£6.462m
Average return on portfolio	4.967%
Weighted average base rate	4.827%

8.4 The interest earned for 2006/07 represents a return of 4.967% The weighted average Bank of England base rate for 2006/07 is 4.827% This performance reflects the Council's good management of its short-term cash surpluses.

8.5 The average size of the investment portfolio has increased by 13% over the value for 2005/06. This is partly due to the increase in prudential borrowing that the Council has undertaken since its introduction in 2004, but also to the slippage in the capital programme indicated early in this report. Prudential borrowing requires the Council to set aside revenue for the future repayment of any long-term loans. Until such time as these loans are repaid, the Council is able to invest this cash and thereby generate additional investment income. However, at some point in the future the Council's loans will mature, and the cash available for investment will begin to decline as these loans are repaid. Investment income will then be reduced. In addition, capital slippage and reserves will be spent at some point, and balances are therefore likely to reduce in the future.

8.6 Interest earned on balances has increased and been boosted further by increases in interest rates on investments. In the short term, therefore, the Treasury Management budget has been able to show significant underspends that have helped the Council's financial position. The current budget for 2007/08 onwards, however, has tightened the Treasury budget considerably to avoid reductions in services elsewhere. As a result, there is now a greater risk that investment income could fall when interest rates and, more importantly, cash balances start to fall in future.

IMPLICATIONS

Financial

1. As detailed in the report.

Legal

2.1 The Council is obliged to set and review prudential indicators in order to comply with the Local Government Act 2003. The Local Government Act 2003 states that the Council must adopt the Prudential Code, which, in turn, requires local authorities to adopt the CIPFA Treasury Management Code of Practice. Unless the government uses its powers under section 4 of that Act, the Council is free to set any reasonable indicators consistent with its other policies.

2.2 The Prudential Code states that the Prudential indicators for treasury management should be considered together with the local authority's treasury management strategy and the annual report on treasury management activities.

Personnel

3. None.

Equalities impact

4. None

Corporate priorities

5. The priorities of the Council's Treasury Management Strategy contribute to minimising Council Tax and providing Value for Money.

For more information contact:	Ciaran Guilfoyle, 01332 258464 e-mail ciaran.guilfoyle@derby.gov.uk
Background papers:	• Council Cabinet report 21 February 2006 'Treasury Management Strategy and Prudential Code Indicators 2006/07' • Council Cabinet report 1 August 2006 'Treasury Management – Annual Report 2005/06' • Council Cabinet report 31 October 2006 'Treasury Management Progress Report' • Council Cabinet report 20 February 2007 'Treasury Management Strategy and Prudential Code Indicators 2007/08'
List of appendices:	Appendix 1 - Implications Appendix 2 – Prudential Indicators 2006/07

APPENDIX 2

Prudential Code Indicators Summary 2005/06 - 2009/10

Prudential Code Reference	Indicator	Actual 2005/06	Estimated 2006/07	Actual 2006/07	Estimated 2007/08	Estimated 2008/09	Estimated 2009/10
Affordability							
	Forecast Financing cost to Net Revenue Stream Ratio						
35	- General Fund %		8.40%		10.44%	10.75%	9.98%
36	- HRA %		23.55%		22.78%	22.91%	22.13%
	Actual Financing cost to Net Revenue Stream Ratio						
37	- General Fund %	4.03%		7.05%			
38	- HRA %	24.76%		22.43%			
39	**Incremental Impact on Council Tax: Band D £/year cumulative**	26.66		61.61	117.09	168.62	182.58
39	**Incremental Impact on Council Tax: Band D £/year year's programme**	20.31		34.95	58.63	64.34	32.42
Local	**Impact on Council Tax of new borrowing: £1m a year band D / yr years programme**	1.27		1.24	1.22	1.22	1.22
40-41	**Incremental Impact on Housing Rents £/week - year's programme = cumulative**	0.44		2.30	3.18	2.89	4.32
Prudence							
45	**Actual / Forecast Borrowing compared to CFR**						
	-Net External Debt £m	224.3	248.2	232.6	274.7	303.4	324.8
	- CFR £m	364.8	382.7	383.2	407.5	422.4	436.8
Local	- Gross External Debt £m excluding Transferred debt	328.5	340.3	345.0	365.1	380.2	394.6
	- CFR £m	364.8	382.7	383.2	407.5	422.4	436.8
Local	- Gross External Debt £m including Transferred debt	371.0	381.2	385.8	404.3	417.8	430.6
	- CFR £m	364.8	382.7	383.2	407.5	422.4	436.8
Capital Expenditure							
51-52	**Total Capital Expenditure**						
	- General Fund £m	45.3	73.0	59.6	99.1	48.9	35.0
	- HRA £m	31.1	10.3	9.9	10.7	10.6	11.7
	- Total £m	76.4	83.3	69.5	109.9	59.4	46.6
53-54	**Estimated Capital Financing Requirement**						
	- General Fund £m	176.3	193.2	193.7	217.0	230.9	244.2
	- HRA £m	188.5	189.5	189.5	190.5	191.5	192.5
	- Total £m	364.8	382.7	383.2	407.5	422.4	436.8
57-58	**Actual Total CFR £m**	364.8		383.2			
External Debt							
59	Authorised Limit for borrowing £m	438	435	435	489	507	525
	Authorised Limit for other long term liabilities £m	1	1	1	1	1	1
	Authorised Limit £m	439	436	436	490	508	526
60	Operational Boundary for borrowing £m	365	417	417	408	423	437
	Operational Boundary for other long term liabilities £m	1	1	1	1	1	1
	Operational Boundary £m	366	418	418	409	424	438
Treasury Management							
66	**Adopted CIPFA Treasury Management Code of Practice**	Yes	Yes	Yes	Yes	Yes	Yes
67-70	**Interest Rate Exposure - Fixed**						
	Upper limit %	101.92	120	95.37	120	120	120
	Lower limit %		80		80	80	80
67-70	**Interest Rate Exposure - Variable**						
	Upper limit %	-1.92	20	4.63	20	20	20
	Lower limit %		-20		-20	-20	-20
Local	**Long term Borrowing - Fixed rate**						
	Upper limit %	93.09	100	93.42	100	100	100
	Lower limit %		80		80	80	80
Local	**Long term Borrowing - Variable rate**						
	Upper limit %	6.01	20	6.58	20	20	20
	Lower limit %		0		0	0	0
Local	**Investments - Fixed rate**						
	Upper limit %	73.18	100	91.16	100	100	100
	Lower limit %		30		30	30	30
Local	**Investments - Variable rate**						
	Upper limit %	26.82	70	8.84	70	70	70
	Lower limit %		0		0	0	0
74	**Maturity Structure of Debt - % of all debt**						
	Under a year	2.47		0.04			
	Between 1 and 2 years	6.95		7.48			
	Between 2 and 5 years	4.96		3.83			
	Between 5 and 10 years	7.32		1.02			
	Over 10 years	78.3		87.63			
77	**Investments over a year - limit £m**	£15m	£35m	£45m	£45m	£45m	£45m
Local	**Investments over two years - limit £m**			£25m	£25m	£25m	£25m
Local	**Investments with approved unrated institutions limit £m over 1 year < 2 yr**				£20m	£20m	£20m