ANNEX I

Q1 (APR-JUN) 2020/21 TREASURY MANAGEMENT UPDATE

1. Purpose

1.1. Local authorities are under legal obligation by the Local Government Act 2003 to have regard to the treasury risk management framework of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services: Code of Practice 2017 Edition (the Code). The Council is also required to have regard to Ministry of Housing, Communities and Local Government (MHCLG) guidance in relation to Investments and Minimum Revenue Provision (MRP).

1.2. The Code requires, as a minimum, the Council to report:

a) an annual treasury strategy in advance of the year; this was presented to Council on 26/02/2020;
b) a mid-year (minimum) treasury update report;
c) an annual report following the end of the year describing the activity undertaken compared to the strategy.

1.3. In line with best practice principles, the Council also presents quarterly update reports for Q1 (this report) and Q3.

1.4. The CIPFA Prudential Code for Capital Finance in Local Authorities (2017 Edition) includes a requirement for local authorities to produce a Capital Strategy, a summary document to be approved by Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy was also approved by Council on 26/02/2020.

2. External Context

Economic background:

2.1. The UK's exit from the European Union took a back seat during the first quarter of 2020/21 as the global economic impact from coronavirus took prevalence. Part of the measures taken to stop the spread of the pandemic included implementing a nationwide lockdown in late March which effectively shut down almost the entire UK economy. These measures continued throughout most of the quarter with only some easing of restrictions at the end of May and into June.

2.2. Bank Rate was maintained at 0.1% despite some speculation that the Bank of England's Monetary Policy Committee (MPC) might cut further and some MPC members also suggesting that negative rates are part of the Bank's policy tools.

In June the Bank increased the asset purchase scheme by £100 billion, taking the recent round of QE to £300 billion, and total QE to £745 billion.

2.3. At the same time, the Government also implemented a range of fiscal stimulus measures totalling over £300 billion which had been announced in March and designed to dampen the effect of the pandemic on the labour market.

2.4. GDP growth contracted by 2.2% in Q1 (Jan-Mar) 2020 pushing the annual growth rate down to -1.6%. With lockdown coming into force in late March, markets are braced for a dire set of growth data for Q2. In April UK GDP fell 20.4% month-on-month. On the back of the 5.8% month-on-month fall in March, this means economic output fell by 25% compared to its pre-coronavirus peak in February 2020.

2.5. The headline rate of UK Consumer Price Inflation UK Consumer Price Inflation fell to 1.2% y/y in May, further below the Bank of England's 2% target. In the three months to June, labour market data remained largely unchanged on the previous quarter. This is likely due to the Government's furlough scheme as more than a quarter of the UK workforce was estimated to be supported by it. The unemployment rate remained unchanged at 3.9% while the employment rate fell to 76.4%. However, employers will have to contribute towards furlough payments from August and the scheme is due to stop at the end of October; unemployment may rise as a result.

2.6. The US economy contracted at an annualised rate of 5.0% in Q1 2020. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% while the US government announced a $2 trillion fiscal stimulus package. Relations between the US and China, which had briefly improved when Phase 1 of the trade agreement was signed in January, deteriorated over the quarter.

2.7. With little room to move on interest rates, the European Central Bank maintained interest rates at 0% and the rate on the deposit facility (which banks may use to make overnight deposits with the Eurosystem) at -0.5% and announced a further huge, open-ended commitment to buy €600bn of bonds under its Pandemic Emergency Purchase Programme (PEPP) which can be reinvested out to 2022. This lifted the ECB's total bond buying support package to €1.35 trillion.

Financial markets:

2.8. After selling off sharply in March, equity markets started recovering in April and while still down on their pre-crisis levels, the Dow Jones and FTSE 100 and 250 have made up around half of the losses. Measures implemented by central banks and governments continue to maintain some degree of general investor confidence, however volatility remains.

2.9. Ultra-low interest rates and the flight to quality continued to keep gilts yields low over the period with the yield on some short-dated government bonds turning negative. The 5-year UK benchmark gilt yield dropped from 0.18% at the beginning of April 2020 to -0.06% on 30th June. The 10-year benchmark gilt yield fell from 0.31% to 0.14% over the same period, and the 20-year from 0.69% to 0.52%. 1-month, 3-month and 12-month bid rates averaged 0.04%, 0.28% and 0.44% respectively over the quarter.

2.10. Over the quarter April to June, the yield on 2-year US treasuries fell from 0.24% to 0.20% while that on yield on 10-year treasuries fell from 0.63% to 0.61%. German bund yields remained negative.

3. Borrowing

3.1. The Council's primary objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should long-term plans change is a secondary objective.

3.2. In October 2019, the Public Works Loans Board (PWLB) raised the margin cost of the concessionary 'certainty' rate borrowing by 1% as HM Treasury was concerned about the overall level of local authority debt. In the March 2020 Budget the Government introduced reduced margin on new HRA-specific loans to 0.80% above equivalent gilt yields.

3.3. The Government has since launched a wide-ranging consultation on the PWLB's future direction to allow key stakeholders to contribute to developing a system whereby other PWLB loans can be made available at improved margins to support projects that meet certain qualifying criteria. Proposals include lower rates for authorities not engaged in 'debt for yield' activity, and restricting individual authorities access to PWLB at all in a financial year in which 'debt for yield' is being pursued within the entire capital programme.

3.4. Officers have taken part in consultation discussions with HM Treasury and other Unitary authorities, and the Director of Finance and Resources will respond to the consultation on behalf of the Council. The consultation deadline has been extended to 31st July 2020 with implementation of the new lending terms expected in the latter part of this calendar year or financial year beginning 2021/22. Further updates will be reported through Treasury Management Update reports as they develop.

3.5. Tables 1 below sets out the profile of the Council's borrowing portfolio by source of loan:

Table 1: Borrowing profile at 30th June 2020 by loan source

Tenor Bucket	Market Loans		PWLB Loans		Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Liquid	£0.00	0.0%	£0.00	0.0%	£0.00	0.0%
< 1 Year	£5,000,000.00	33.3%	£7,027,124.81	1.6%	£12,027,124.81	2.6%
1 - 2 Years	£0.00	0.0%	£9,732,747.02	2.2%	£9,732,747.02	2.1%
2 - 5 Years	£0.00	0.0%	£39,648,657.81	8.8%	£39,648,657.81	8.5%
5 - 10 Years	£0.00	0.0%	£64,697,089.19	14.4%	£64,697,089.19	13.9%
10 - 20 Years	£0.00	0.0%	£141,933,076.58	31.4%	£141,933,076.58	30.5%
20 - 30 Years	£0.00	0.0%	£27,000,000.00	6.0%	£27,000,000.00	5.8%
30 - 40 Years	£0.00	0.0%	£109,000,000.00	24.2%	£109,000,000.00	23.4%
40 - 50 Years	£10,000,000.00	66.7%	£51,360,000.00	11.4%	£61,360,000.00	13.2%
> 50 Years	£0.00	0.0%	£0.00	0.0%	£0.00	0.0%
Total	**£15,000,000.00**	**100.0%**	**£450,398,695.41**	**100.0%**	**£465,398,695.41**	**100.0%**

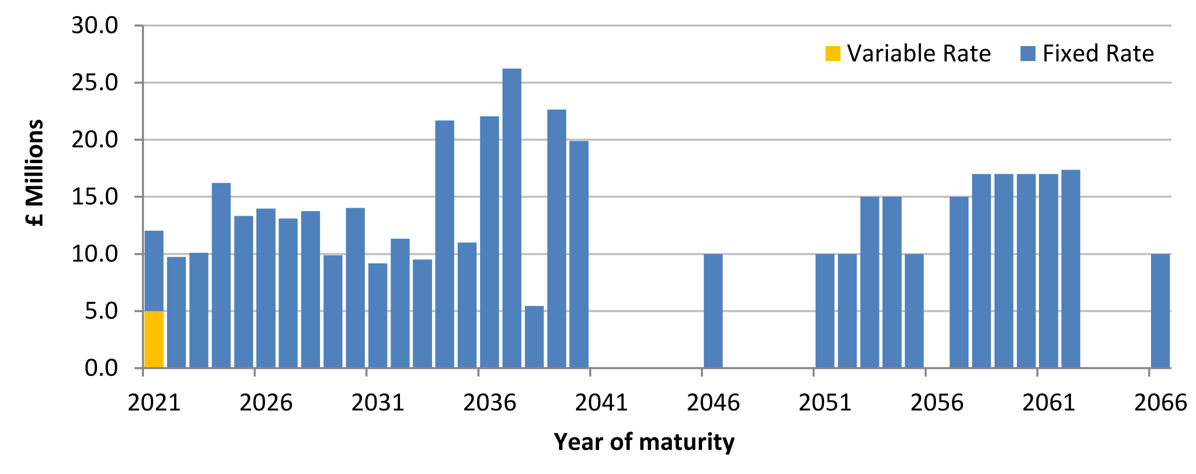
3.6. Tables 2 below sets out the profile of the Council's borrowing portfolio by interest rate structure/exposure:

Table 2: Borrowing profile at 30th June 2020 by interest rate structure

Tenor Bucket	Fixed Rate Loans	% of Total	Variable Rate Loans	% of Total	Total	% of Total
Liquid	£0.00	0.0%	£0.00	0.0%	£0.00	0.0%
< 1 Year	£7,027,124.81	1.5%	£5,000,000.00	100.0%	£12,027,124.81	2.6%
1 - 2 Years	£9,732,747.02	2.1%	£0.00	0.0%	£9,732,747.02	2.1%
2 - 5 Years	£39,648,657.81	8.6%	£0.00	0.0%	£39,648,657.81	8.5%
5 - 10 Years	£64,697,089.19	14.1%	£0.00	0.0%	£64,697,089.19	13.9%
10 - 20 Years	£141,933,076.58	30.8%	£0.00	0.0%	£141,933,076.58	30.5%
20 - 30 Years	£27,000,000.00	5.9%	£0.00	0.0%	£27,000,000.00	5.8%
30 - 40 Years	£109,000,000.00	23.7%	£0.00	0.0%	£109,000,000.00	23.4%
40 - 50 Years	£61,360,000.00	13.3%	£0.00	0.0%	£61,360,000.00	13.2%
> 50 Years	£0.00	0.0%	£0.00	0.0%	£0.00	0.0%
Total	**£460,398,695.41**	**100.0%**	**£5,000,000.00**	**100.0%**	**£465,398,695.41**	**100.0%**

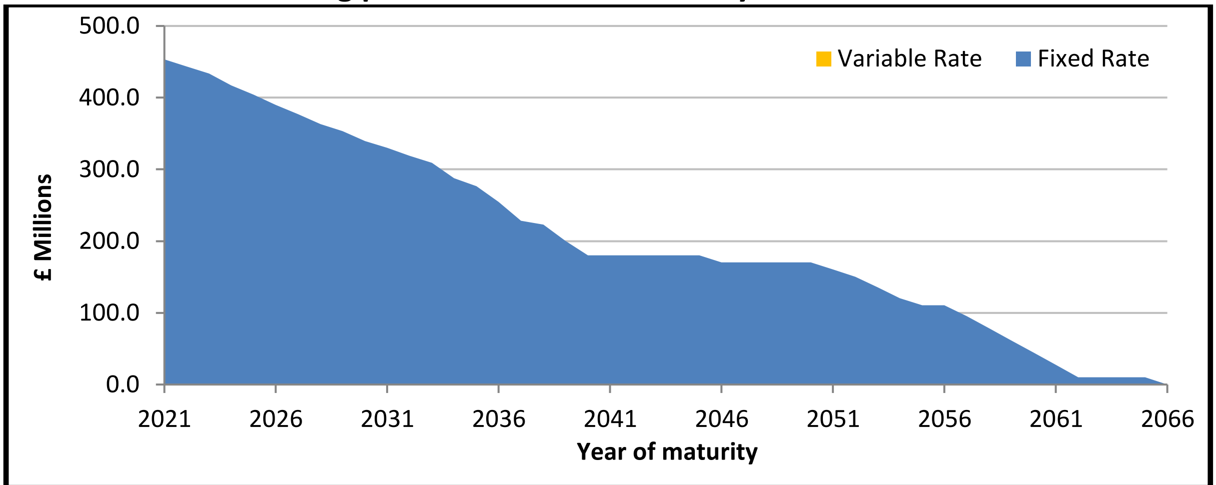
3.7. Chart 1 below shows the annual maturity profile of the Council's borrowing portfolio:

Chart 1: Borrowing profile at 30th June 2020 by annual maturities



3.8. Chart 2 below shows the fallout structure of the Council's borrowing portfolio:

Chart 2: Borrowing profile at 30th June 2020 by cumulative annual maturities



3.9. No new borrowing was undertaken during Q1 and no repayments were due to be made. As such the average rate across the Council's borrowing portfolio at 30th June 2020 remained at 4.35% (4.35% on 31st March 2020).

3.10. The Council continues to hold a £5m Lender's Option Borrower's Option (LOBO) loan where the lender has the option every 6 months 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. Treasury management practice is to present such loans at their next potential maturity date (in this case a rolling 6 month exposure) rather than their backstop maturity date (in this case November 2041). Given underlying market conditions the lender did not exercise their option during the quarter and is not expected to do so in the near future, so officers are considering this loan to be long term funding.

4. Debt Restructuring

4.1. No debt rescheduling was undertaken during the quarter. Debt rescheduling opportunities have been limited due to the current economic climate and consequent structure of interest rates. Officers and the Councils treasury advisors continue to monitor this position.

5. HRA Debt Pooling arrangements

5.1. The 1st April 2012 saw the introduction of the Housing Self-Financing regime. As previously reported this Council adopted a single pool approach, whereby the Council manages its overall debt as a single portfolio and apportions costs to the General Fund and HRA at a consolidated rate in proportion to the debt held by each.

5.2. By adopting a single pool approach, any borrowing decisions by the General Fund impact upon the consolidated rate and therefore the debt costs apportioned to the HRA, and vice versa. As long as borrowing decisions are relatively balanced, then the impact is mitigated.

5.3. But on 30th October 2018, the Government removed the imposed debt caps which restricted how much housing authorities could borrow against their HRA. This opens up significant freedoms for additional borrowing by the HRA to support housing regeneration and new housing stock build programmes subject to the usual assessment criteria of the Prudential Code in demonstrating affordability, prudence and sustainability. In addition the Council would need to establish a clear metrics for assessing HRA debt that may include commercial costing measures such as capital risk buffers, debt interest cover ratios and loan-to-value limits.

5.4. This increased capacity for significant HRA borrowing means that the Council’s single pool approach to managing debt may no longer be most appropriate, and the General Fund and HRA may be better suited pursuing separate debt strategies. Officers, in consultation with the Council’s treasury advisors, are conducting a review of the debt pooling options available to the Council to establish the most suitable form of future debt management arrangements.

6. Annual Investment Strategy

6.1. The Treasury Management Strategy Statement (TMSS) for 2020/21, which includes the Annual Investment Strategy, was approved by the Council on 26th February 2020. It sets out the Council's fundamental investment priorities as being (in order):

1. **S**ecurity of Capital;
2. **L**iquidity; and
3. **Y**ield

6.2. The Council's investment activity during the quarter conformed to the approved strategy, and the Council had no difficulties meeting its liquidity requirements.

6.3. The Council's investment portfolio represents the short-term holding of positive cashflows at any given time, plus prudent medium and long term provisions, balances and reserves. During the quarter, the Council's investment balances ranged from a low of £274.7m to a high of £327.1m, in part due the receipt and distribution of COVID-19 related funding as well as normal cashflow timing differences between income and expenditure. The average balance held was £301.0m. Table 3 below shows the Council's investment maturity position at 30th June 2020:

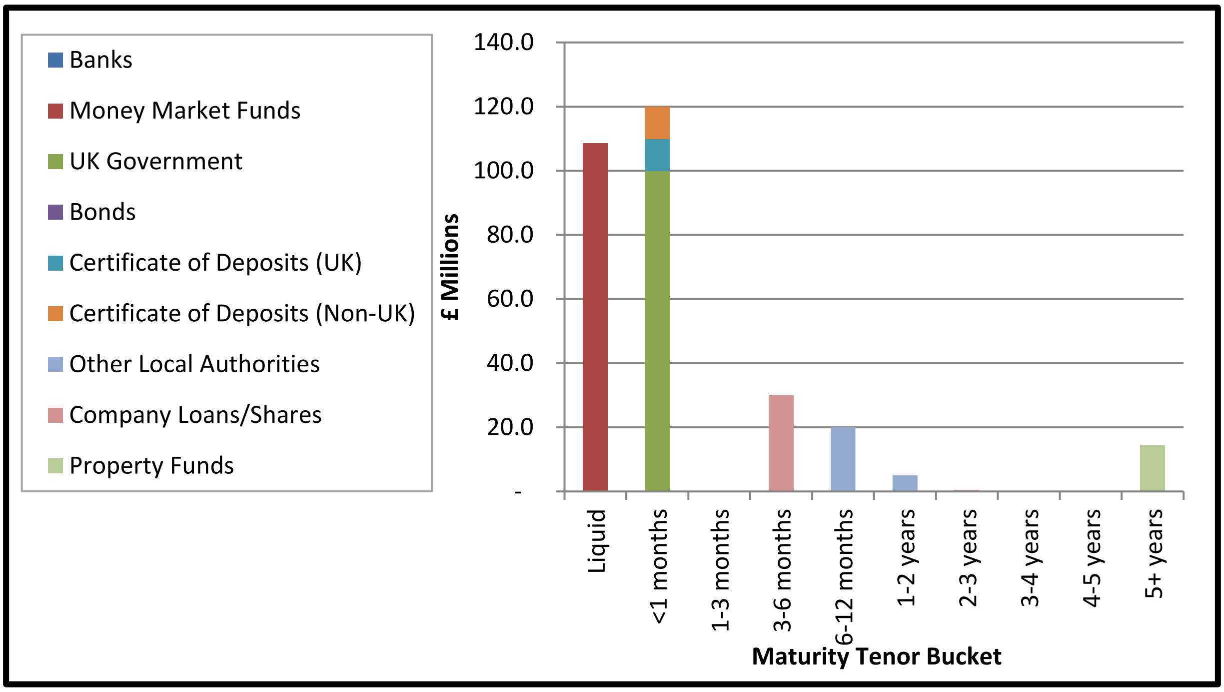
Table 3: Investment Maturity Position at 30th June 2020

Counterparty	Start Date	Maturity Date	Interest Rate	Interest Rate Structure	Principal O/S (£)
Same-day access: Banks					
Barclays Bank plc	n/a	n/a	0.0000%	Variable	15,013.45
National Westminster Bank plc	n/a	n/a	0.0100%	Variable	1,318.56
Handelsbanken plc	n/a	n/a	0.2000%	Variable	1,863.03
					18,195.04
Same-day access: Money Market Funds					
Deutsche	n/a	n/a	0.2383%	Variable	4,360,000.00
Federated	n/a	n/a	0.2452%	Variable	15,000,000.00
Aberdeen	n/a	n/a	0.2426%	Variable	15,000,000.00
Legal and General Investment Management	n/a	n/a	0.2514%	Variable	14,075,000.00
Insight	n/a	n/a	0.1119%	Variable	15,000,000.00
Morgan Stanley	n/a	n/a	0.1488%	Variable	15,000,000.00
State Street Global Advisors	n/a	n/a	0.2630%	Variable	15,000,000.00
Goldman Sachs	n/a	n/a	0.0472%	Variable	15,000,000.00
					108,435,000.00
UK Government:					
Debt Management Office	19/06/20	10/07/20	0.0200%	Fixed	100,000,000.00

Counterparty	Start Date	Maturity Date	Interest Rate	Interest Rate Structure	Principal O/S (£)
					100,000,000.00
Certificate of Deposits: UK					
Santander UK plc	17/01/20	17/07/20	0.7300%	Fixed	10,000,000.00
					10,000,000.00
Certificate of Deposits: Non-UK					
Landesbank Baden-Wuerttemberg (Germany)	17/01/20	17/07/20	0.7100%	Fixed	10,000,000.00
					10,000,000.00
Other Local Authorities:					
Folkestone and Hythe District	25/03/20	25/03/21	1.6500%	Fixed	5,000,000.00
South Somerset District Council	27/03/20	26/03/21	1.6000%	Fixed	5,000,000.00
Telford and Wrekin Borough Council	25/03/20	31/03/21	1.6500%	Fixed	5,000,000.00
Armagh City Banbridge and Craigavon Borough Council	27/03/20	31/03/21	1.6000%	Fixed	1,000,000.00
Gwynedd County Council	30/03/20	31/03/21	1.6000%	Fixed	4,000,000.00
Cheshire West and Chester Council	31/03/20	31/03/22	1.8000%	Fixed	5,000,000.00
					25,000,000.00
Company Loans/Shares:					
Milton Keynes Development Partnership LLP	12/11/19	12/11/20	2.7700%	Fixed	30,000,000.00
YourMK LLP (shares)	09/08/16	n/a	0.0000%	Fixed	100.00
YourMK LLP	09/08/16	09/08/22	3.8116%	Variable	550,726.19
					30,550,826.19
Property Funds (variable net asset value [VNAV]):					
CCLA Local Authorities Property Fund	30/03/15		4.3038%	Variable	9,718,342.23
CCLA Local Authorities Property Fund	26/02/16		4.3038%	Variable	4,569,548.69
					14,287,890.92
					298,291,912.15

6.4. Chart 3 below shows the investment portfolio maturity profile by tenor buckets per category type at 30th June 2020:

Chart 3: Investment profile at 30th June 2020 by maturity category & tenor buckets



Credit background:

6.5. After rising sharply in late March, spreads on credit default swaps – the market traded insurance against borrower defaults – slowly eased over the quarter but remained above their pre-crisis levels.

6.6. Credit rating agency Fitch downgraded the UK sovereign rating to AA- in March which was followed by a number of actions on UK and also non-UK banks from early April onwards. Fitch affirmed the ratings of Canadian banks but revised their outlook to negative. The agency also downgraded the long and short-term ratings of Australia's four largest banking groups. In a double-edged move Fitch upgraded the long-term deposit rating of two German banks but downgraded their viability ratings and revised their rating outlooks to negative. Fitch later placed three Singapore banks on Rating Watch Negative.

6.7. Fellow rating agencies S&P and Moody's respectively took action on a range of UK and European banks, affirming or downgrading ratings and revising outlooks downwards due to the economic consequences of COVID-19.

6.8. In May, Fitch and S&P downgraded TfL's long-term rating to A+ from AA- after the 95% reduction in tube and train fares which make up 47% of TfL's revenue.

However, the UK government agreed to a £1.6 billion support package which will help ease some of the stress TfL faces.

6.9. Although much better capitalised than before the 2007-09 financial crisis, in early June a number of UK banks and building societies were suspended from the counterparty list for unsecured deposits. As the extent of the losses that banks and building societies will suffer due to the impact from the coronavirus epidemic remains uncertain, it is expected to be substantial. For those remaining on the list, investments are only placed up to a maximum duration of 35 days.

6.10. The select UK and non-UK banks & building societies that the Council holds investments with remain in strong and well-capitalised positions, so pre-existing deposits are being allowed to run until maturity.

6.11. Restricting the number of counterparties and length of investment considered as a risk-aversion action is necessary but does consequently severely restrict options available to the Council. It is likely therefore in the short-term that as existing market investments mature, the Council's holdings with the UK Government's Debt Management Office (no upper counterparty limit) will continue to remain significant.

6.12. The Council also utilises AAA rated Money Market Funds for short-term liquid cash investments. These pooled funds represent well-diversified, same-day access options with assets under management usually in the tens of billion pounds at any given time from many business sectors, including local authorities. Each fund with assets of more than one billion pounds under management is considered by the Council as comparatively secure as its peers, yet the Council limits investments to up to £15m per fund to spread counterparty risk. Officers continue the approach taken in March to step up monitoring of performance of these funds given the widespread financial market volatility. The difference in return between individual fund remains marginally low, so in this heightened state of alert, added emphasis is instead being placed on the stability of each fund's underlying total assets on a running daily and weekly basis as the primary influence of investment decisions.

Externally managed strategic funds:

6.13. The Council invested a cash total of £15m into an externally managed strategic pooled property fund with the CCLA; £10m in March 2015 and a further £5m in February 2016. Short-term security and liquidity are lesser considerations for this type of investment with the primary objectives instead being regular revenue income and long-term price stability.

6.14. At 30th June 2020, the Council's holdings had decreased to £14.288m (£15.042m at 31st March 2020), representing a £0.754m fall in fair value. Excluding accrued interest, this fair value is £0.712m lower than the Councils initial £15.0m cash investments, which represents an unrealised loss. The Council has no plans to liquidate this investment and expect the funds value to recover.

6.15. In March 2020, CCLA suspended purchase and redemption transactions in direct response to the pervasive effects of Covid-19 coronavirus. Sharp falls in economic activity and relative infrequency of transactions in the property sector mean that it is not possible for the CCLA's valuers to be confident that their valuations will truly reflect prevailing conditions at this time. The CCLA has a duty to ensure that all transactions in the property fund are conducted at prices which are accurate and fair to both shareholders and those wishing to purchase or sell units/shares. In circumstances where that is not possible, and where there is therefore a material risk of disadvantage to either party, the CCLA are obliged to suspend transactions until the required level of certainty can be re-established.

6.16. This ongoing temporary suspension of the CCLA Property Fund does not have an immediate or significant impact on the Councils investment, which has always been treated its holdings as a strategically long term. During the period of suspension, the Council will continue to accrued full dividend returns but expected to receive approximately 75% with the remaining 25% deferred until later this financial year.

6.17. The CCLA takes a distinct approach to its asset acquisitions in that it does not buy assets simply for short-term gain, but a diversified range of long-term and adaptable assets that could, in most cases, be repurposed. Evidence so far suggests the current impact upon commercial property markets is contained and focused on those already underperforming specific sub-categories like, high street retail. The reality is that retail markets were evolving this way beforehand, and this crisis has simply accelerated those trends. Other than housing, there is high demand for long-term commercial warehousing as well as flexible multi-purpose office spaces.

6.18. Officers receive regular updates from the CCLA fund management team. The fund effectively entered this period of global crisis from the impact of COVID-19 from a well-managed base risk position, on back of over a decade of market instability since the 2008 financial crisis as well as the more recent and continuing heightened risks surrounding Brexit.

Investments for policy reasons outside of normal treasury management operations:

6.19. Although not classed as treasury management activities per se, the 2017 CIPFA Code now requires the Council to report on investments for policy reasons outside of normal treasury management operations. This includes service investments for operational and/or regeneration as well as commercial investments made primarily for financial income reasons. These investments typically earn a higher rate of return compared to normal treasury management investments, which reflects the additional risks that the Council is exposed to.

6.20. The Council has advanced a £30.0m 1-year loan to its wholly owned subsidiary company Milton Keynes Development Partnership (MKDP) LLP, used to finance the acquisition of assets from the Homes and Communities Agency (HCA) in 2012/13. The loan rate of 2.77% was set with reference to State Aid regulations and prevailing market rates.

6.21. The Council has also lent £0.5m in tranche payments to its 50% joint-owned partnership company YourMK LLP. YourMK is a partnership between the Council and Mears Group to deliver regeneration, management of council housing stock, and other development on council land and it is responsible for all Housing Land under the Council. At 30th June 2020, the Council's investment holding was valued at £0.551m, of which £0.051m represents an unrealised gain through accruing compound interest since advanced.

6.22. The Council holds a £5.0m principal investment (match-funded by external investment) in a National Homelessness Property Fund, the assets of which are for use as housing temporary accommodation in Milton Keynes. At 31st December 2019 (latest available) the Net Asset Value of the Council's investment was £4.488m, which represents an unrealised revaluation loss against principal of £0.512m. The valuation loss is due to basis of asset valuation; assets were acquired on an Open Market Value (OMV) basis but have been revalued at Existing Use Value (EUV) based on sub-market rental income streams due to ongoing use as temporary accommodation. If those assets were sold to liquidise the Council's investment, it would expect to be with vacant possession and the valuation method would revert to OMV and so it is anticipated that the book loss would be fully recovered. This investment generated £0.104m of investment income for the Council, representing a rate of return of 2.08%. This investment is not shown within the tables and charts above as it was funded through the capital programme and reported through the capital monitoring process.

Investment income performance:

6.23. Investment income performance against the 3 month London Interbank Bid Rate (LIBID), which is the bidding rate at which banks are willing to borrow from each other, is shown in Table 4 below. Income return projections for the financial year are reported through the Budget Monitoring process.

Table 4: Investment income performance against 3 month LIBID benchmark

Period	MKC Performance	Benchmark Performance	Difference
Q1 (Apr-Jun)	0.94%	0.26%	+0.68%

7. Outlook for the remainder of 2020/21

7.1. The medium-term global economic outlook is very weak. While containment measures taken by national governments in response to coronavirus are being eased, it is likely to be some time before demand recovers to pre-crisis levels due to rises in unemployment, the on-going need for virus control measures and the impact on consumer/business confidence.

7.2. The responses from the Bank of England, HM Treasury as well as other central banks and governments have been significant and will act to support the recovery when it occurs, by keeping financial conditions stable and many businesses solvent/employees employed than would otherwise have been the case. There will be an economic bounce in the second half of the year, as businesses currently dormant begin production/supply services once more.

7.3. However, the scale of the economic shock to demand and the probable on-going social distancing measures necessary before a vaccine is produced will mean that the subsequent pace of recovery is limited.

7.4. Bank Rate is expected to remain at the current 0.10% level and additional monetary loosening in the near future through further financial asset purchases (QE). While the central case for Bank Rate is no change, further cuts to Bank Rate to zero or even into negative territory cannot be ruled out.

7.5. Downside risks remain in the near term, as households and businesses react to an unprecedented set of economic circumstances. Gilt yields are expected to remain very low in the medium term. Some shorter-term gilt yields will remain around zero until either the Bank expressly rules out negative Bank Rate or growth prospects improve.

8. Compliance with Treasury and Prudential Limits

8.1. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators are set as part of the Treasury Strategy and Capital Strategy.

8.2. During the quarter the Council has operated within its treasury limits and Prudential Indicators, shown in Table 5 below.

Table 5: Prudential and Treasury Indicators

Prudential Indicator	2020/21 Indicator	Q1 2020/21
Authorised limit for external debt	----- £770.000m -----	
Operational boundary for external debt	----- £740.000m -----	
Gross borrowing	£458.372m	£465.399m
Capital Financing Requirement (CFR)	£709.081m	£709.055m
Ratio of financing costs to net revenue streams: GF	8.82%	8.81%
HRA	37.50%	37.50%
Limit of fixed interest rates based on net debt	£770.000m	£285.399m
Limit of variable interest rates based on net debt	£77.000m	-£118.292m
Principal sums invested > 365 days	£75.000m	£19.839m
Maturity structure of borrowing limits:-		
Under 12 months	Max. 15% Min. 0%	2.6%
12 months to 2 years	Max. 15% Min. 0%	2.1%
2 years to 5 years	Max. 50% Min. 0%	8.5%
5 years to 10 years	Max. 50% Min. 0%	13.9%
10 years and above	Max. 100% Min. 50%	72.9%