Appendices
3

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	TREASURY MANAGEMENT MID YEAR REPORT 2014-15

AGENDA STATUS: **PUBLIC**

Cabinet Meeting Date:	14 January 2015
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	LGSS
Accountable Cabinet Member:	Alan Bottwood
Ward(s)	Not Applicable

1. Purpose

1.1 To provide a mid-year update on the Treasury Management Strategy 2014-15, approved by Council in February 2014.

2. Recommendations

2.1 Cabinet is recommended to:

a) Note the Treasury Management Mid-Year Report 2014-15
b) Recommend the report to full Council

3. Issues and Choices

Report Background

3.1 Treasury Management is governed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code). The Code has been developed to meet the needs of

Local Authorities and its recommendations provide a basis to form clear treasury management objectives and to structure and maintain sound treasury management policies and practices.

3.1.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes ("the Treasury Management Code of Practice").

3.1.2 The Treasury Management Code of Practice and the associated guidance notes for local authorities include recommendations on reporting requirements, including the requirement for an annual mid year report on treasury activities.

3.1.3 Unless otherwise stated the figures and commentary in the report cover the period from 1 April 2014 to 30 November 2014.

3.2 Issues and Choices

Summary of Key Headlines

3.2.1 The main highlights for the mid-year report are:

- The average rate of investments to the end of November was 0.64%, which is 0.29% above the average 7 day Libid of 0.35%.
- The debt financing budget is currently reporting an underspend of £475k
- Compliance with agreed policies and practices has been monitored during the year to date. There have been no reported breaches.

Economic Environment and Interest Rates

3.2.2 A detailed economic commentary is provided in Appendix 1. This information has been provided by Capita Asset Services (CAS), the Council's treasury management advisors.

3.2.3 The key UK headlines from this analysis are:

- Market interest rate expectations have fallen with the general consensus now being for a Q2 2015 rise in UK Bank Rate at the earliest.
- The UK economy has delivered 3% growth (for the year ending September 2014)
- Currently CPI stands at 1% but is expected to fall further, at least in the near term, endorsing the market's view that interest rates will not rise until later this year.
- Average earnings have picked up to 1.8% and unemployment stands at 6%.

Summary Portfolio Position

3.2.4 A snapshot of the Council's debt and investment position is shown in the table below. The figures exclude borrowing to fund loans to third parties, Growing Places Fund (GPF) loans to be repaid from business rates retention (see paragraph 3.2.8 below), and finance leases.

	TMSS Forecast for March 2015 (As agreed by Council Feb 2014)		Actual as at 31 March 2014		Actual as at 30 November 2014		Revised Forecast to March 2015	
	£m	Average Rate %	£m	Average Rate %	£m	Average Rate %	£m	Average Rate %
Long term borrowing								
PWLB	211		190		190		190	
Market	9		9		9		9	
Other	1		1		1		1	
Total long term	**221**	**3.56**	**200**	**3.33**	**200**	**3.33**	**200**	**3.33**
Short term borrowing	-	-	16	6.03	16	6.03	-	-
Total borrowing	**221**	**3.56**	**216**	**3.53**	**216**	**3.53**	**200**	**3.33**
Investments	**35**	**0.5**	**73**	**0.8**	**87**	**0.6**	**65**	**0.6**
Total Net Debt / Borrowing	**186**	**-**	**143**	**-**	**129**	**-**	**135**	**-**

3.2.5 Further analysis of borrowing and investments is covered in the following two sections.

Borrowing

3.2.6 The Council can take out loans in order to fund spending for its Capital Programme. The amount of new borrowing needed each year is determined by capital expenditure plans and projections of the Capital Financing Requirement, forecast reserves and current and projected economic conditions.

New loans and repayment of loans

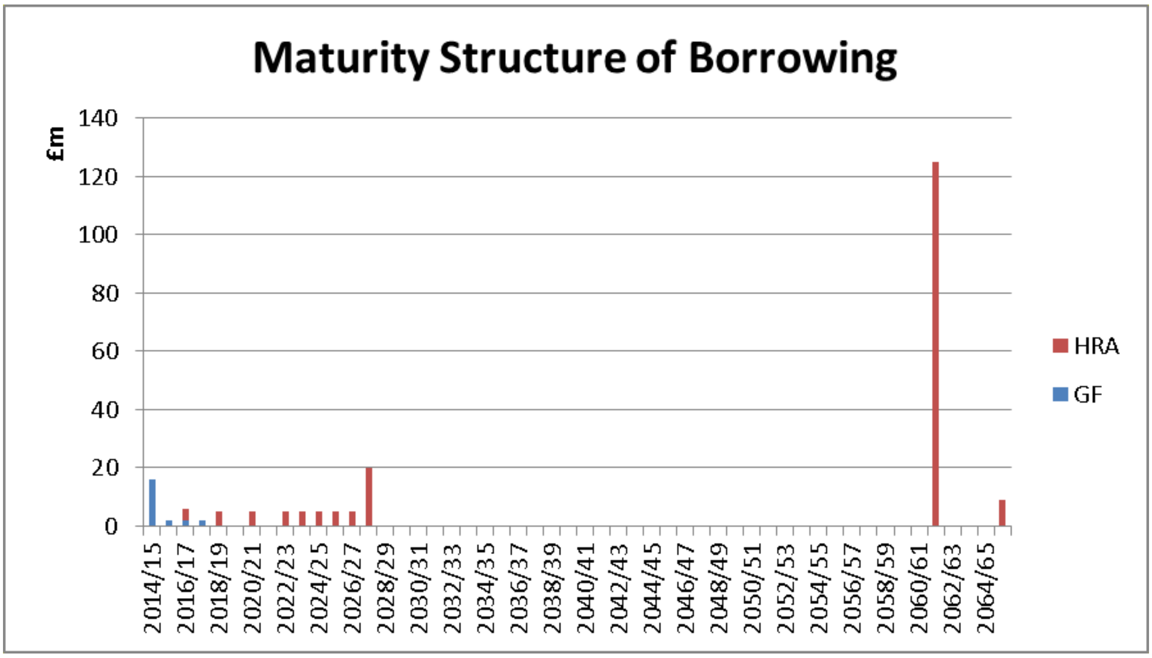
3.2.7 Four new PWLB loans to the total value of £5.75m were raised during the period to finance loans to Northampton Town Football Club (NTFC) to support local economic development.

3.2.8 In addition to the PWLB borrowing above, two loan drawdowns, totalling £3.5m, have been taken from the Growing Places Fund (GPF). This is a form of government funding, supporting capital expenditure in the Enterprise Zone. Loan repayments will be financed from business rate retention.

3.2.9 Repayments of loan principal under annuity and EIP (Equal Instalment Payments) loan arrangements have totalled £134k in the year to date.

Maturity profile of borrowing

3.2.10 The following graph shows the maturity profile of the Council's mainstream loans (excluding borrowing for third party loans, and GPF Loans to be repaid from business rates retention), split by HRA and GF. All the loans are at a fixed interest rate, which limits the Council's exposure to interest rate fluctuations. The weighted average years to maturity of the portfolio is 32.4 years (GF 0.1 years; HRA 32.3 years).



The maturity structure presented above differs from that in the treasury indicators in Appendix 2 in that LOBO loans are included at their final maturity rather than their next call date. In the current low interest rate environment the likelihood of the interest rates on these loans being raised and the loans requiring repayment at the break period is extremely low

Loan restructuring

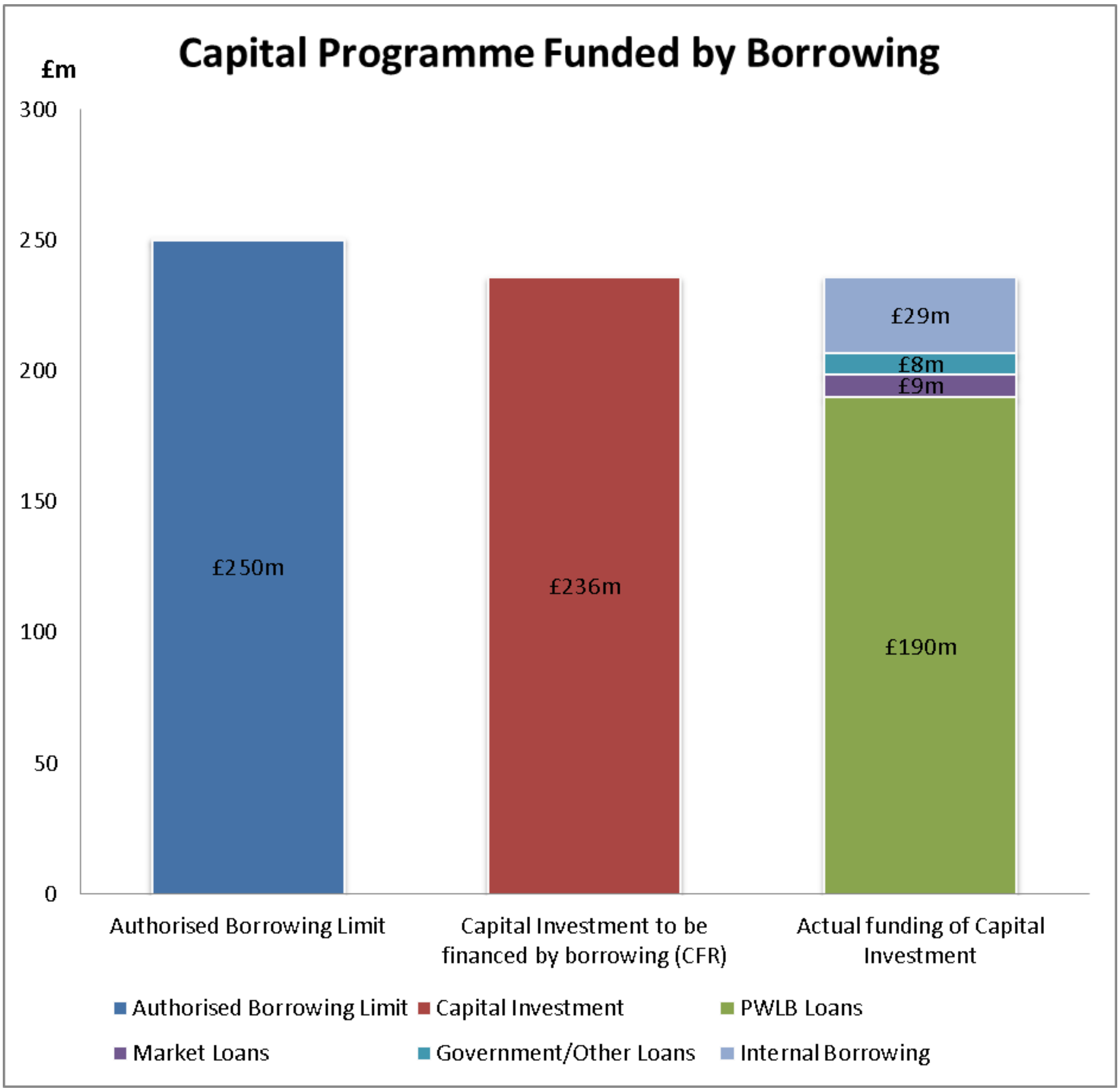
When market conditions are favourable long term loans can be restructured to generate cash savings, reduce the average interest rate and/or enhance the balance of the portfolio by amending the maturity profile and/or the level of volatility. (Volatility is determined by the fixed/variable interest rate mix.)

3.2.11 During the first eight months of 2014-15 there were no opportunities for the Council to restructure its borrowing, due to the position of the Council's borrowing portfolio compared to market conditions. Further debt rescheduling will be considered subject to conditions being favourable but it is unlikely that opportunities will present themselves during this year. The position will be kept under review, and when opportunities for savings do arise, debt rescheduling will be undertaken to meet business needs.

Funding the Capital Programme

3.2.12 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the next year. It identifies where the authority expects to be in terms of borrowing and investment levels. When the 2014-15 TMSS was set, it was anticipated that the Capital Financing Requirement (CFR), the Council's liability for financing the agreed Capital Programme, at year end, excluding third party loans, would be £229m. This figure is naturally subject to change as a result of changes to the approved capital programme and the optimisation of financing.

3.2.13 The graph below compares the maximum the Council could borrow in 2014-15 (the affordable borrowing limit) with the forecast CFR at 31 March 2015 and forecast of how this will be financed. The figures in the graph include both HRA and GF borrowing. However the majority of external borrowing (£193m) relates to the HRA, arising from the HRA self-financing reforms in March 2012, whereby the Council was required by central government to take on the debt associated with its housing stock. The figures exclude borrowing for third party loans



3.2.14 The graph shows the Council's current capital investment funded by borrowing is £14m below the Authorised Borrowing Limit set for the Council at the start of the year.

3.2.15 In addition, the graph shows how the Council is currently funding its borrowing requirement. As at 30 November the Council was forecast to be using £29m of internal borrowing by the end of the year, to finance capital investment. Internal borrowing is the use of the Council's surplus cash to finance the borrowing liability instead of borrowing externally.

Investments

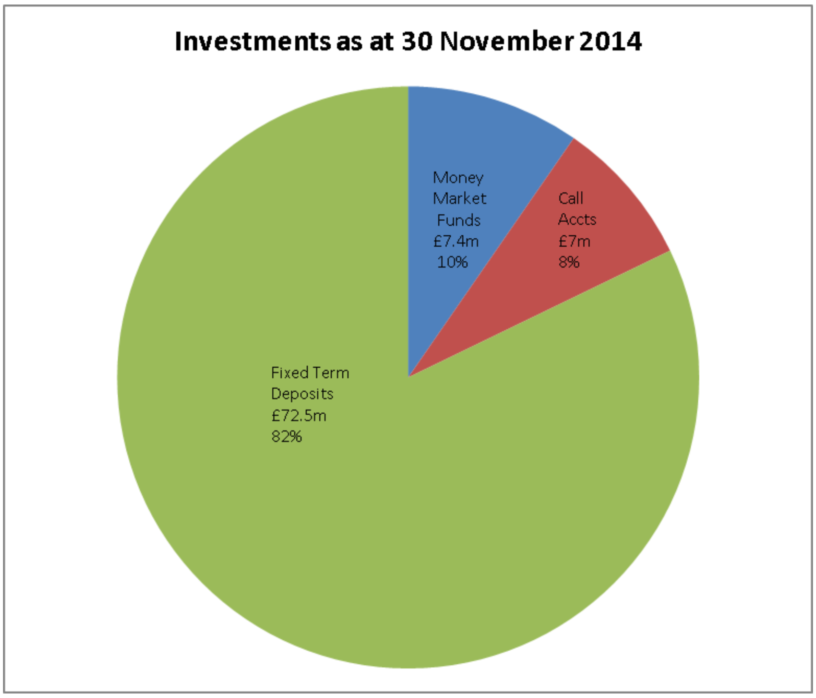
3.2.16 Investment activity is carried out within the Council's counterparty policies and criteria, and with a clear strategy of risk management in line with the Council's treasury strategy for 2014-15. This ensures that the principle of considering security, liquidity and yield, in that order (SLY), is consistently applied. The Council will therefore aim to achieve the optimum return on investments commensurate with proper levels of security and liquidity. Any variations to agreed policies and practices are reported to Cabinet and

Council.

3.2.17 The strategy currently employed by the Council of internal borrowing also has the effect of limiting the Council's investment exposure to the financial markets, thereby reducing credit risk.

3.2.18 As at 30 November the level of investments totalled £86.9m. The level of cash available for investment is as a result of reserves, balances and working capital the Council holds. These funds can be invested in money market deposits, placed in funds or used to reduce external borrowings.

3.2.19 All investments are made according to the requirements of the Council's Investment Strategy and agreed credit worthiness criteria. A breakdown of investments by type (Fixed Term, Money Market Funds, Call Accounts) are shown in the pie chart below.



3.2.20 The table below compares the investment returns achieved over the eight month period with 7 day Libid rate, which is used to benchmark performance.

Investment Returns			
	7 day Libid	Average rate	Uplift to 7 day Libid Rate
	%	%	%
Apr-14	0.34	0.61	0.27
May-14	0.34	0.61	0.27
Jun-14	0.35	0.63	0.28
Jul-14	0.35	0.64	0.29
Aug-14	0.35	0.64	0.29
Sep-14	0.36	0.66	0.30
Oct-14	0.36	0.67	0.31
Nov-14	0.35	0.67	0.32
Average to end of November	**0.35**	**0.64**	**0.29**

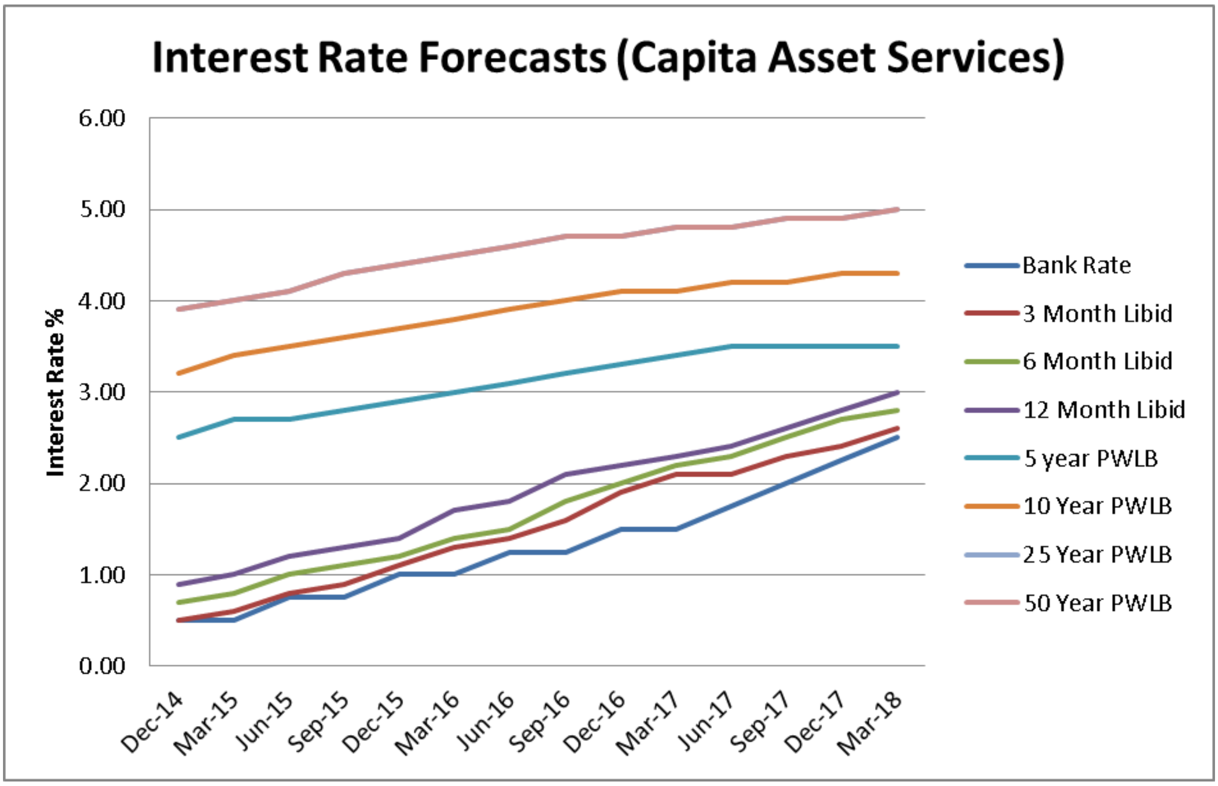
3.2.21 From the table, it can be seen that average rate of investments over the period was 0.64%, which is 0.29% above the average 7 day Libid of 0.35%.

3.2.22 Where appropriate, investments have been locked out for periods of up to one year with suitable counterparties, including the UK part nationalised banks, at higher rates of interest. In a rising interest rate environment it is appropriate to keep investments fairly short in duration so as to take advantage of interest rate rises as soon as they occur. The weighted average time to maturity of investments at 30 November is 109 days.

3.2.23 Leaving market conditions to one side, the Council’s return on investment is influenced by a number of factors, the largest contributors being the duration of investments and the credit quality of the institution or instrument. Credit risk is a measure of the likelihood of default and is controlled through the creditworthiness policy approved by Council. The duration of an investment introduces liquidity risk; the risk that funds can’t be accessed when required, and interest rate risk; the risk that arises from fluctuating market interest rates. These factors and associated risks are actively managed by the LGSS Treasury team together with the Council’s Treasury Advisors.

Outlook

3.2.24 The graph below shows interest rate forecasts for the period to March 2018.



3.2.25 The first increase in Bank Rate is forecast for the second quarter of 2015. However there are downside risks to this central forecast; market interest rate expectations have fallen, with the general consensus now being that this is the earliest likely date for the UK bank Rate.

3.2.26 Recent demands for the safe haven of gilts have depressed gilts yields and PWLB rates. Geopolitical events make forecasting PWLB rates highly unpredictable in the shorter term. It is assumed that at some point these fears will subside and that safe haven flows will unwind and rates will rise back again.

3.2.27 As confidence is clearly emerging in the economy it is expected that we will see an upward trend in medium and long term gilt yields over the coming years, although this won't be without volatility.

3.2.28 From a strategic perspective, the Council is currently reviewing options as to the timing of any future borrowing, including the possibility of setting up forward loan deals. Further utilisation of cash balances and undertaking shorter term borrowing could also potentially generate savings subject to an assessment of the interest rate risks involved.

Regular monitoring

3.2.29 An investment register is maintained, and updated on a daily basis, showing current investments and deposit account balances with counterparties used, investment durations and interest rates achieved.

3.2.30 Monthly reconciliations are completed for outstanding investment principal, interest received, outstanding borrowing principal and interest paid to ensure all transactions have been made and recorded accurately.

3.2.31 The debt financing budget has been monitored monthly since the start of the year, with any significant variances reported as part of the corporate financial performance reports.

3.2.32 Prudential and treasury indicators are monitored on a regular basis, and any variances or breaches of the indicators are reported to Cabinet and Council on a timely basis.

Debt Financing Budget

3.2.33 The debt financing budget is currently forecast to underspend by £475k, as set out in the table below.

DEBT FINANCING BUDGET 2014-15	As at 30 November 2014		
	Budget	Forecast	Variance to Budget
	£000	£000	£000
Debt Financing & Interest			
Interest Payable	1,399	1,647	248
Interest Receivable	(215)	(957)	(742)
Minimum Revenue Provision	1,058	1,003	(55)
Recharges from/(to) HRA - Interest on cash balances	136	210	74
Total Debt Financing & Interest	**2,378**	**1,903**	**(475)**

3.2.34 The forecast underspend is due to:

- **MRP** - £55k underspend arising from a lower level of funding by borrowing in 2013-14 than expected, due to carry forwards in the capital programme to 2014-15.

- **Interest on new and replacement borrowing** - £211k gross saving on new long term borrowing, premised on the likelihood of using internal borrowing (from cash balances) in the current year to finance both the 2014-15 capital expenditure due to be funded by borrowing and the replacement borrowing for maturing loans in 2014-15.

- **Interest earned on investments** - £211k underspend due to significantly higher levels of cash balances than anticipated (partly due to carry forwards in the capital programme as above), and a higher rate of interest earned compared to budget.

Compliance with Treasury Limits and Prudential Indicators

3.2.35 With effect from 1st April 2004 The Prudential Code became statute as part of the Local Government Act 2003 and was revised in 2011.

3.2.36 The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable. To ensure compliance with this the Council is required to set and monitor a number of Prudential Indicators.

3.2.37 During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement (TMSS) and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown in Appendix 2. There have been no breaches of any indicators during the first eight months of the financial year.

Variations (if any) from or to agreed policies and practices

3.2.38 Compliance with agreed policies and practices has been monitored during the year to date. There have been no reported breaches in the first eight months of this year.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Council is required to adopt the latest CIPFA Treasury Management Code of Practice, and to set and agree a number of policy and strategy documents. These policy documents are reported to Cabinet and Council as part of the budget setting process. The Council's Treasury Strategy for 2014-15 was approved by Council on 24 February 2014.

4.1.2 This report complies with the requirement to submit a mid-year treasury management review report to Council.

4.2 Resources and Risk

4.2.1 The resources required for the Council's debt management and debt financing budgets are agreed annually through the Council's budget setting process. The latest debt financing budget position is shown in the body of the report.

4.2.2 The risk management of the treasury function is specifically covered in the Council's Treasury Management Practices (TMPs), which are reviewed annually. Treasury risk management forms an integral part of day-to-day treasury activities.

4.3 Legal

4.3.1 The Council is obliged to carry out its treasury management activities in line with statutory requirements and associated regulations and professional guidance.

4.4 Equality

4.4.1 An Equalities Impact Assessment was carried out on the Council's Treasury Strategy for 2014-15, and the associated Treasury Management Practices (TMPs) and the Schedules to the TMPs. The EIA assessment is that a full impact assessment is not necessary, as no direct or indirect relevance to equality and diversity duties has been identified

4.5 Consultees (Internal and External)

4.5.1 Consultation on treasury management matters is undertaken as appropriate with the Council's treasury advisors, Capita Asset Services, and with the Portfolio holder for Finance.

4.5.2 Under the regulatory requirements, the Audit Committee has been nominated by Council as the body responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. This role includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and the making of recommendations to Council. This report will be presented to Audit Committee at their meeting of 16 March 2015.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Management of performance in relation to treasury management activities supports the Council's priority of making every £ go further.

4.7 Other Implications

4.7.1 No other implications have been identified.

5. Background Papers

None

Glenn Hammons, Chief Finance Officer 0300 330 7000

Appendix 1

Economic Update provided by Capita Asset Services for the period to 30 November 2014

General

The markets seem to have determined that UK Bank Rate is now on hold until at least the end of 2015. A fall in global raw material prices and a slowdown in China have acted as a catalyst for inflation to fall significantly. Currently CPI stands at 1% but is expected to fall further, at least in the near term. Whilst the UK economy has delivered 3% growth, for the year ending September 2014, much of this has been driven by the services sector so overall growth looks a little unbalanced at present and is potentially susceptible to a reversal of the prevailing positive consumer sentiment.

Average earnings have picked up to 1.8% and unemployment stands at 6%. The claimant count stands at 2.6%. This positive set of data is partially negated by an increasing unease in the markets that long-term growth prospects are not that bright whilst deflationary factors may also have a bigger role to play in 2015. Accordingly, at the time of writing, FTSE100 has fallen below 6400 and long-dated gilts are yielding below 2.5% (15th Dec) suggesting that growth could be tepid for a prolonged period.

On the positive side, the US continues to move forward with non-farm payroll figures emphasising a sustained improvement in employment prospects whilst the boost to the US oil supply has inspired a fall in oil prices to below $60 per barrel – which should act to boost global economic performance at a time when other major economies are struggling somewhat e.g. Eurozone and Japan.

Bank of England Inflation Report (November 2014)

The outlook for global growth weakened in the previous quarter, as market interest rate expectations have fallen with the general consensus now being for a Q2 2015 rise in UK Bank Rate at the earliest. Declines in the more risky asset prices, such as equities, added to the gloomy outlook and caused considerable market volatility in October. Expectations for where interest rates will be in three years' time have dramatically dropped off, with rates now expected to remain below 2% in the UK over this period.

Unemployment continued to fall at a quicker pace than expected in the previous Inflation Report. In the three months to August, the rate was 6.0%, with the Bank of England (BoE) forecasting this to drop to 5.4% by late 2015. In a similar vein, the BoE expect inflation to fall below 1.0% in the next six months, endorsing the market's view that the Bank will not raise interest rates until later in 2015. If inflation does dip below 1.0%, Governor Mark Carney will have to write a letter of explanation to the Chancellor, George Osborne.

UK GDP

Britain's rapid economic growth slowed slightly between July and September. Gross domestic product rose 0.7%, compared with 0.9% in the April-June period. A slowdown in services output and manufacturing expanding at its weakest pace in eighteen months held growth back. However, the UK still looks set to be the fastest growing advanced economy in 2014, confounding economists' views that the growth seen since the start of 2013 could not be sustained. Indeed, the latest Services sector PMI (Purchasing Managers Index) survey suggests 2015 will start with continued solid growth, albeit heavily reliant on the services sector.

UK Inflation

UK inflation fell sharply in November to stand at its lowest level in five years, 1%, further easing pressure on the BoE to raise interest rates, regardless of the aforementioned economic recovery. Consumer prices were impacted by a fall in the prices of food and motor fuels, whilst wage growth picked up to 1.8% signalling a return to positive real wages.

ECB

In September, the European Central Bank (ECB) cut their interest rates to 0.05%, with the deposit rate standing at -0.2%. This cut in rates was an attempt to spur economic growth and stave off the threat of deflation and is currently still in place. In the third quarter, GDP rose at 0.2%. This was stronger than expected, with France beating market expectations and the bloc's largest economy, Germany, steering clear of a recession. Year on year, Eurozone growth was 0.8% higher in the third quarter but it remains under severe economic pressure, particularly in the major economies, whilst potential political unrest in Greece could bring about further destabilising factors in 2015.

Appendix 2

Prudential and Treasury Indicators as at 30 November 2014

Prudential Indicators

Affordability

a) Estimate of the ratio of financing costs to net revenue stream

Ratio of financing costs to net revenue stream		
	2014-15	2014-15
	Estimate %	Forecast as at 30 November 2014
General Fund	8.58%	6.87%
HRA	34.18%	34.05%

b) Estimate of the incremental impact of capital investment decisions on the council tax

Estimates of incremental impact of new capital investment decisions on the Council Tax	
	2014-15
	Estimate £.p
General Fund	2.22

This indicator is set before the start of the financial year, in the context of the budget setting process, which feeds into the setting of Council Tax and Housing Rents. As these are set and fixed for the financial year ahead, any capital investment decisions made during the year cannot impact on the existing Council Tax and Housing rent levels. This means that new capital investment plans approved during the year must be funded externally or from within existing resources.

c) Estimate of the incremental impact of capital investment decisions on the housing rents

Estimates of incremental impact of new capital investment decisions on weekly housing rents	
	2014-15
	Estimate £.p
HRA	6.27

This indicator is set before the start of the financial year, in the context of the budget setting process, which feeds into the setting of Council Tax and Housing Rents. As these are set and fixed for the financial year ahead, any capital investment decisions made during the year cannot impact on the existing Council Tax and Housing rent levels. This means that new capital investment plans approved during the year must be funded externally or from within existing resources.

Prudence

d) Gross debt and the capital financing requirement (CFR)

Gross external debt less than CFR					
	Excluding third party loans			**Including third party loans**	
	2014-15 Budgeted	2014-15 Forecast at 30 Nov 2014		2014-15 Budgeted	2014-15 Forecast at 30 Nov 2014
	£000	£000		£000	£000
Gross external debt at 30 Nov 2014	216,441	220,448		228,441	236,088
2013-14 Closing CFR	222,454	222,042		234,454	232,042
Changes to CFR:					
2014-15	6,879	14,089		34,380	21,354
2015-16	2,418	2,133		26,418	3,382
2016-17	429	11,205		429	8,759
Adjusted CFR	235,989	249,469		299,490	265,537
Gross external debt less than adjusted CFR	Yes	Yes		Yes	Yes

Capital Expenditure

e) Estimate of capital expenditure

Capital Expenditure		
	2014-15	2014-15
	Estimate £000	Outturn Forecast at 30 Nov 2014 £000
General Fund	18,352	30,220
HRA	46,700	43,752
Total	**65,052**	**73,972**
Loan to Third Parties	27,500	8,975
Total	**92,552**	**82,947**

f) Estimates of capital financing requirement (CFR)

Capital Financing Requirement (Closing CFR)		
	2014-15	2014-15
	31 March 2014 Estimate £000	31 March 2014 Forecast at 30 Nov 14 £000
General Fund	42,531	47,383
HRA	186,803	186,803
Total	**229,334**	**234,186**
Loan to Third Parties	39,500	19,210
Total	**268,834**	**253,396**

External Debt

g) Authorised limit for external debt

Authorised Limit for external debt		
	2014-15	2014-15
	Boundary £000	Actual as at 30 Nov 2014 £000
Borrowing - NBC	245,000	219,812
Borrowing - Third Party Loans	40,000	15,640
Other long-term liabilities	5,000	636
TOTAL	**290,000**	**236,088**

h) Operational boundary for external debt

Operational boundary for external debt		
	2014-15	2014-15
	Boundary £000	Actual as at 30 Nov 2014 £000
Borrowing - NBC	235,000	219,812
Borrowing - Third Party Loans	40,000	15,640
Other long-term liabilities	5,000	636
TOTAL	**280,000**	**236,088**

i) HRA Limit on Indebtedness

HRA Limit on Indebtedness	
2014-15	2014-15
£000	Forecast Closing HRA CFR 31 March 2014 as at 30 Nov 2014 £000
208,401	186,803

i) Adoption of the CIPFA code of Practice for Treasury Management in the Public Services

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (the Treasury Code). The adoption is included in the Council's Constitution (Feb 2013) at paragraph 6.10 of the Financial Regulations.

Treasury Indicators

1a. Upper Limits on interest rate exposures – investments

Upper limits on interest rate exposures - Investments		
	2014-15	2014-15
	Limit %	Actual as at 30 November 2014 %
Fixed Interest Rate Exposures	100%	83%
Variable Interest Rate Exposures	100%	17%

1b. Upper limits on interest rate exposures – Borrowing

Upper limits on interest rate exposures - Borrowing		
	2014-15	2014-15
	Limit %	Actual as at 30 November 2014 %
Fixed Interest Rate Exposures	100%	89%
Variable Interest Rate Exposures	100%	11%

Figures exclude borrowing for third party loans

1c. Upper limits on interest rate exposures - Net borrowing

Upper limits on interest rate exposures - Investments and Borrowing		
	2014-15	2014-15
	Limit %	Actual as at 30 November 2014 %
Fixed Interest Rate Exposures	150%	92%
Variable Interest Rate Exposures	150%	8%

Figures exclude borrowing for third party loans

2. Total principal sums invested for periods longer than 364 days

Upper limit on investments for periods longer than 364 days		
	2014-15	2014-15
	Upper Limit £000	Actual at 30 Nov 2014 £000
Investments longer than 364 days	6,000	0

3. Maturity Structure of Borrowing

Maturity structure of borrowing			
	2013-14	2013-14	2013-14
	Lower Limit %	Upper Limit %	Actual at 30 Nov 2014 %
Under 12 months	0%	20%	12%
1-2 years	0%	20%	1%
2-5 years	0%	20%	6%
5-10 years	0%	20%	7%
10 -20 years	0%	40%	17%
20-30 years	0%	60%	0%
30-40 years	0%	80%	0%
Over 40 years	0%	100%	58%

The table shows the maturity structure of Council’s mainstream loans (excluding borrowing for third party loans, and GPF Loans to be repaid from business rates retention).

The guidance for this indicator requires that LOBO loans are shown as maturing at the next possible call date rather than at final maturity. All three of the Council's LOBO loans are therefore included in the figure maturing in less than 12 months.

Appendix 3

NBC Investment Portfolio as at 30 November 2014

Type	Start Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
Fixed	29/01/14	28/01/15	DBS Bank Ltd	Maturity	0.6000%	-3,000,000.00
Fixed	31/01/14	30/01/15	Wolverhampton City Council	Maturity	0.6500%	-5,000,000.00
Fixed	27/02/14	26/02/15	Bank of Scotland plc	Maturity	0.9500%	-3,000,000.00
Fixed	27/03/14	26/03/15	Bank of Scotland plc	Maturity	0.9500%	-2,000,000.00
Fixed	10/04/14	09/04/15	Royal Bank of Scotland plc	Maturity	0.7700%	-5,000,000.00
Fixed	22/04/14	21/04/15	Bank of Scotland plc	Maturity	0.9500%	-2,000,000.00
Fixed	16/05/14	15/05/15	National Westminster Bank plc	Maturity	0.8200%	-3,000,000.00
Fixed	16/05/14	16/02/15	National Westminster Bank plc	Maturity	0.6700%	-3,000,000.00
Fixed	21/05/14	20/05/15	Bank of Scotland plc	Maturity	0.9500%	-3,000,000.00
Fixed	21/05/14	20/02/15	Nordea Bank Finland	Maturity	0.5500%	-5,000,000.00
Fixed	17/06/14	17/12/14	Nordea Bank Finland	Maturity	0.5600%	-3,000,000.00
Fixed	14/08/14	16/02/15	Deutsche Bank AG	Maturity	0.6700%	-5,000,000.00
Fixed	20/08/14	20/02/15	DBS Bank Ltd	Maturity	0.6000%	-3,000,000.00
Fixed	27/08/14	26/08/15	Bank of Scotland plc	Maturity	0.9500%	-3,000,000.00
Fixed	03/09/14	03/03/15	DBS Bank Ltd	Maturity	0.6500%	-5,000,000.00
Fixed	09/09/14	09/06/15	DBS Bank Ltd	Maturity	0.6500%	-4,000,000.00
Fixed	09/09/14	08/09/15	Bank of Scotland plc	Maturity	0.9500%	-2,000,000.00
Fixed	10/09/14	12/12/14	Bank of Scotland plc	Maturity	0.6200%	-2,500,000.00
Fixed	12/09/14	11/09/15	National Australia Bank Ltd	Maturity	0.7500%	-3,000,000.00
Fixed	30/09/14	30/09/15	East Lothian Council	Maturity	0.7000%	-3,000,000.00
Fixed	14/11/14	14/05/15	Credit Suisse AG	Maturity	0.6500%	-5,000,000.00
Fixed Total						**-72,500,000.00**
Call	31/03/14		HSBC Bank plc	Maturity	0.0700%	-10,000.00
Call	31/03/14		National Westminster Bank plc	Maturity	0.5000%	-7,000,000.00
Call Total						**-7,010,000.00**
MMF	31/03/14		Ignis Sterling Liquidity 2 GBP	Maturity	0.4896%	-7,235,000.00
MMF	31/03/14		Insight Liquidity Sterling C3	Maturity	0.4321%	-70,000.00
MMF	01/07/14		LGIM Sterling Liquidity 4	Maturity	0.4451%	-75,000.00
MMF Total						**-7,380,000.00**
						-86,890,000.00