ITEM No …4………..

REPORT TO: **POLICY AND RESOURCES COMMITTEE – 8 MARCH 2021**

REPORT ON: **TREASURY MANAGEMENT STRATEGY 2021/2022**

REPORT BY: **EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

REPORT NO: **58-2021**

1 PURPOSE OF REPORT

This report introduces the Dundee City Council Treasury Management Strategy Statement and Annual Investment Strategy for 2021-2022, the preparation of which is a requirement of the Council's Treasury Policy Statement and the CIPFA Code of Practice on Treasury Management.

2 RECOMMENDATION

The Committee are asked to:

1 note that in terms of the Treasury Policy Statement, the Executive Director of Corporate Services is obliged to present the annual Treasury Management Strategy at the start of each financial year.

2 approve the strategy proposed by the Executive Director of Corporate Services for 2021/2022 as set out in the attached document "Treasury Management Strategy 2021/2022".

3 FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the recommendations in this report. However, decisions made within the Treasury Management function will affect the cost of the Council's long and short-term borrowing in 2021/2022 and future years. The 2021/2022 Revenue Budget has been set including a provision of £21.201m for General Fund and £19.329m for HRA capital financing costs, both are based on an average Loans Fund interest rate of 3.50%.

4 BACKGROUND

The Council's Treasury Policy Statement (Article XVI of the Minute of Meeting of the Policy and Resources Committee of 7 December 2020, Report No 280-2020 refers) requires that the Policy and Resources Committee will receive and consider the Treasury Management Strategy at the start of each new financial year.

5 TREASURY MANAGEMENT STRATEGY 2021/2022

The Council's Treasury Management Strategy for 2021/2022 is set out in detail in the attached document. The net new borrowing required in 2021/2022 is £56m. In light of this there is expected to be phased borrowing during the year. This will be based on cash flow and interest rate monitoring to determine the term and value of each loan taken.

In light of the continuing uncertainties in the finance market, lending transactions will be closely monitored to achieve maximum security of capital. This will involve using all available sources of information to assess the financial strength of any counterparties.

6 POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

7 CONSULTATION

The Council Management Team have been consulted in the preparation of this report.

8 BACKGROUND PAPERS

None

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES **26 FEBRUARY 2021**

Corporate Services

DUNDEE CITY COUNCIL

TREASURY MANAGEMENT STRATEGY 2021-2022

Executive Director of Corporate Services
March 2021

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1. INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

1.2 Treasury Management Strategy for 2021/22

The strategy for 2021/22 covers two main areas:

Capital Planning

- the capital plans and the prudential indicators.

Treasury Management

- current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- borrowing strategy;
- debt rescheduling;
- investment strategy;

These elements cover requirements of the Local Government in Scotland Act 2003, the CIPFA Prudential Code, the CIPFA Treasury Management Code and Scottish Government Investment Regulations not included in the Treasury Policy.

2. CAPITAL PRUDENTIAL INDICATORS 2021/22 – 2025/26

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans. The figures below are based on the latest approved version of the Capital Plan 2021-2026 (Article VIII of the Policy and Resources Committee of 22 February 2021, report 55-2021 refers).

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

Capital Programme Thematic Summary - Capital Plan 2021-2026 (£000's)									
Capital Investment Theme	**Overall Project Cost**	**Prior to 31/3/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**Later Years**
Work and Enterprise	112,845	74,614	7,813	6,055	18,900	3,363	100	-	2,000
Children & Families	134,726	42,420	3,626	4,200	2,980	22,000	30,000	4,000	25,500
Health, Care & Wellbeing	85,182	35,536	2,058	16,085	5,646	4,176	3,911	2,223	15,547
Community Safety & Justice	76,145	7.798	17,335	19,804	13,500	6,843	5,275	5,410	180
Service Provision	135,174	15,277	14,655	31,414	14,209	11,585	13,825	10,209	24,000
Building Strong Communities	177,547	32,354	11,043	39,713	23,614	24,623	23,966	18,784	3,450
Total Gross Expenditure	**721,619**	**207,999**	**56,530**	**117,271**	**78,849**	**72,590**	**77,077**	**40,626**	**70,677**

Other long-term liabilities - The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital Resources Summary - Capital Plan 2021-2026 (£000's)					
Resource	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Capital expenditure funded from borrowing	73,443	51,074	47,649	56,056	20,226
Capital element of General Capital Grant (net of Private Sector Housing Grant)	12,963	17,000	17,000	17,000	17,000
Capital grants & contributions - corporate	450	450	450	450	450
Capital grants & contributions - project specific	16,765	6,875	2,301	1,121	500
Capital Receipts - Sale of Assets	6,200	3,000	4,740	2,000	2,000
Capital financed from current revenue & programme slippage	7,450	450	450	450	450
Total	**117,271**	**78,849**	**72,590**	**77,077**	**40,626**

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as prudent annual repayments from revenue need to be made which reflect the useful life of capital assets financed by borrowing. As agreed within the Loans Fund Policy Review (Article VII of the Minute of the Meeting of the Policy & Resources Committee of 30 September 2019, Report No. 279-2019 refers), the Council has revised the method of calculation of loan repayments to ensure that its underlying debt liability reflects the consumption of the assets associated with that debt, and also reflects the period to which benefits are provided to the community now and in the future.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

The following table annotates the CFR projections*:

Capital Financing Requirement (£000's)			
Year	**Non-HRA**	**HRA**	**Total**
2020/21	418,000	185,000	603,000
2021/22	459,000	200,000	659,000
2022/23	487,000	208,000	695,000
2023/24	510,000	214,000	724,000
2024/25	538,000	222,000	760,000
2025/26	532,000	225,000	757,000

* The table above excludes PFI and finance leases

3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of approporiate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The Council's treasury portfolio position at 31 March 2020, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£000s	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
External Debt					
Debt at 1 April	721,567	746,851	747,410	799,675	830,855
Expected change in Debt	(12,581)	(15,543)	56,353	35,374	29,529
Expected change in Other long-term liabilities	37,865	16,102	(4,088)	(4,194)	(4,540)
Total Gross debt at 31st March	746,851	747,410	799,675	830,855	855,844

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Executive Director of Corporate Services reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

Operational boundary

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational Boundary (£000's)			
Year	**Borrowing**	**Other**	**Total**
2020/21	571,000	177,000	748,000
2021/22	628,000	173,000	801,000
2022/23	663,000	169,000	832,000
2023/24	692,000	164,000	856,000
2024/25	728,000	160,000	888,000
2026/26	726,000	155,000	881,000

Authorised limit for external debt

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

a) This is the statutory limit (Affordable Capital Expenditure Limit) determined under section 35 (1) of the Local Government in Scotland Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

b) The Council is asked to approve the following authorised limit:

Authorised Limit (£000's)			
Year	**Borrowing**	**Other**	**Total**
2020/21	601,000	177,000	778,000
2021/22	658,000	173,000	831,000
2022/23	693,000	169,000	862,000
2023/24	722,000	164,000	886,000
2024/25	758,000	160,000	918,000
2026/26	756,000	155,000	911,000

3.3 Prospects for interest rates

A more detailed interest rate forecast and economic commentary are set out in appendix 5.2.

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The table below gives their central view.

Link Asset Services Interest Rate View							
	Mar '21	**Jun '21**	**Sep '21**	**Dec '21**	**Mar '22**	**Jun '22**	**Sep '22**
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month LIBID	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 Month LIBID	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 Month LIBID	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5yr PWLB Rate	0.90	0.90	0.90	0.90	1.00	1.00	1.10
10yr PWLB Rate	1.30	1.30	1.30	1.30	1.40	1.40	1.50
25yr PWLB Rate	1.90	1.90	1.90	1.90	2.00	2.00	2.10
50yr PWLB Rate	1.70	1.70	1.70	1.70	1.80	1.80	1.90
	Dec '22	**Mar '23**	**Jun '23**	**Sep '23**	**Dec '23**	**Mar '24**	
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	
3 Month LIBID	0.10	0.10	0.10	0.10	0.10	0.10	
6 Month LIBID	0.10	0.10	0.10	0.10	0.10	0.10	

12 Month LIBID	0.20	0.20	0.20	0.20	0.20	0.20
5yr PWLB Rate	1.10	1.10	1.20	1.20	1.20	1.20
10yr PWLB Rate	1.50	1.50	1.60	1.60	1.60	1.60
25yr PWLB Rate	2.10	2.10	2.20	2.20	2.20	2.20
50yr PWLB Rate	1.90	1.90	2.00	2.00	2.00	2.00

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it subsequently left Bank Rate unchanged at its subsequent meetings, including its last meeting on 4th February 2021, although some forecasters had suggested that a cut into negative territory could happen. However, at that last meeting, we were informed that financial institutions were not prepared for implementing negative rates. The Monetary Policy Committee (MPC), therefore, requested that the Prudential Regulation Authority require financial institutions to prepare for such implementation if, at any time in the future, the MPC may wish to use that as a new monetary policy tool. The MPC made it clear that this did not in any way imply that they were about to use this tool in the near future. As shown in the forecast table above, no increase in Bank Rate is expected in the near-term as it is unlikely that inflation will rise sustainably above 2% during this period so as to warrant increasing Bank Rate.

Gilt yields / PWLB rates

There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc.

The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin was that bond prices were elevated as investors would have been expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had, therefore, already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up in March 2020, we have subsequently seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in "normal" times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.

As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as government bond yields of major countries around the world are expected to rise little during this time in an environment where central bank rates are also expected to remain low for some years; this is the result of a change of inflation targeting policy of central banks to one based on average inflation over a number of years, (see appendix 5.3 for further explanation). From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November 2020 when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

Investment and borrowing rates

- **Investment returns** are likely to remain exceptionally low during 2021/22 with little increase in the following two years.

- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to six years were negative during most of the first half of 2020/21; they jumped up after the Monetary Policy Report of 4 February 2021. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.

- On 25 November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The new margins over gilt yields are as follows: -.

    - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
    - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
    - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
    - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
    - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

- **Borrowing for capital expenditure.** As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are near to historic lows. The Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Although short-term interest rates are cheapest, longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The Executive Director of Corporate Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- ***if it was felt that there was a significant risk of a further FALL in long and short term rates*** (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- ***if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast,*** perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be reappraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years. All relevant activities will be reported to Committee.

3.5 Debt rescheduling

As short term borrowing rates vary against longer term fixed interest rates, there may be potential opportunities to generate savings by moving between long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All relevant activities will be reported to Committee.

4. ANNUAL INVESTMENT STRATEGY

4.1 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations. Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings will be sub 0.50% for the foreseeable future.

For its cash flow generated balances, the Council will seek to utilise money market funds and short-dated deposits (overnight to100 days) in order to benefit from the compounding of interest.

4.2 Investment interest risk

The Council holds relatively low levels of cash which helps limit borrowing costs. The table below details projections for investment cash balance (31 March), the average investment cash balance, investment interest.

£000s	Actual 2019/20	Outturn 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
Investment cash balance (31 March)	23,685	5,000	5,000	5,000	5,000
Average investment cash balance	17,383	19,000	15,000	15,000	15,000
Investment interest	123	23	15	15	15
Average interest rate	0.71%	0.12%	0.10%	0.10%	0.10%

The above investment interest is generated from call accounts and Money Market Funds. We are currently budgeting for £15,000 of income each year based on an average interest rate of 0.10% and an average cash balance of £15m.

5. APPENDICES

5.1 CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2021/22 – 2025/26

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure

Capital expenditure values used to prepare indicators are based on the latest approved Capital Plan 2021-2026 (Article VIII of the Policy and Resources Committee of 22 February 2021, report 55-2021 refers) as shown in section 2.1 of this report.

Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Non-HRA	5.5%	5.4%	6.0%	6.6%	7.4%
HRA	35.6%	38.1%	38.5%	39.1%	39.1%

The estimates of financing costs include current commitments and the proposals in this budget report.

Treasury indicators for debt

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Interest rate exposures			
	Upper	**Upper**	**Upper**
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	30%	30%	30%

Maturity structure of fixed interest rate borrowing 2021/22		
	Lower	**Upper**
Under 12 months	0%	10%
12 months to 2 years	0%	15%
2 years to 5 years	0%	25%
5 years to 10 years	0%	25%
10 years plus	50%	95%
Upper limit for total principal sums invested for longer than 365 days	n/a	No sums will be invested longer than 365 days

5.2 INTEREST RATE FORECASTS 2020-2023

The table below shows Link Asset Services view on UK Interest Rates on 8 February 2021.

Link Group Interest Rate View	8.2.21												
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.90	0.90	0.90	0.90	1.00	1.00	1.10	1.10	1.10	1.20	1.20	1.20	1.20
10 yr PWLB	1.30	1.30	1.30	1.30	1.40	1.40	1.50	1.50	1.50	1.60	1.60	1.60	1.60
25 yr PWLB	1.90	1.90	1.90	1.90	2.00	2.00	2.10	2.10	2.10	2.20	2.20	2.20	2.20
50 yr PWLB	1.70	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	2.00	2.00	2.00	2.00
Bank Rate													
Link	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Capital Economics	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
5yr PWLB Rate													
Link	0.90	0.90	0.90	0.90	1.00	1.00	1.10	1.10	1.10	1.20	1.20	1.20	1.20
Capital Economics	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
10yr PWLB Rate													
Link	1.30	1.30	1.30	1.30	1.40	1.40	1.50	1.50	1.50	1.60	1.60	1.60	1.60
Capital Economics	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	-	-	-	-	-
25yr PWLB Rate													
Link	1.90	1.90	1.90	1.90	2.00	2.00	2.10	2.10	2.10	2.20	2.20	2.20	2.20
Capital Economics	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	-	-	-	-	-
50yr PWLB Rate													
Link	1.70	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	2.00	2.00	2.00	2.00
Capital Economics	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	-	-	-	-	-

5.3 MATURITY PROFILE OF EXTERNAL BORROWING

The tables below shows a maturity profile of the Council's external borrowing portfolio as at 31 March 2020. The profile comprises of loans from Public Works Loan Board (PWLB), Lender Option Borrower Option loans (LOBOs) from Banks and temporary loans from other Local Authorities.