ITEM No …5………..

REPORT TO: **CITY GOVERNANCE COMMITTEE – 4 MARCH 2024**

REPORT ON: **TREASURY MANAGEMENT STRATEGY 2024/2025**

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

REPORT NO: **60-2024**

1 PURPOSE OF REPORT

This report introduces the Dundee City Council Treasury Management Strategy Statement and Annual Investment Strategy for 2024-2025, 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 as set out in the attached document "Treasury Management Strategy 2024/2025".

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 2024/2025 and future years. The level of capital financing costs included in the Provisional Revenue Budget 2024/25 for General Services amounts to £22.429m. The equivalent figure that was included in the Housing Revenue Account Budget agreed earlier these year amounts to £19.658m, both are based on an average Loans Fund interest rate of 3.85%.

4 BACKGROUND

The Council's Treasury Policy Statement (Article IV of the Minute of Meeting of the Policy and Resources Committee of 6 March 2023, report no 68-2023 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 2024/2025

The Council's Treasury Management Strategy for 2024/2025 is set out in detail in the attached document. The net new borrowing required in 2024/2025 is £102m. 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.

There is a notable addition to the Treasury Management Strategy 2024/25 with an additional prudential indicator. This is the introduction of liability benchmark, and can be found in section 2.3 of the strategy document.

6 POLICY IMPLICATIONS

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

7 CONSULTATION

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

8 BACKGROUND PAPERS

None

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EXECUTIVE DIRECTOR OF CORPORATE SERVICES **22 FEBRUARY 2024**

Corporate Services

DUNDEE CITY COUNCIL

TREASURY MANAGEMENT STRATEGY 2024/2025

Executive Director of Corporate Services
March 2024

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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 2024/25

The strategy for 2024/25 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 2024/25 – 2028/29

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 2024-2029 (Article VII of the Policy and Resources Committee of 19 February 2024, report 18-2024 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 2024-2029 (£000's)								
Capital Investment Theme	**Overall Project Cost**	**Prior to 31/3/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**
Reduce Child Poverty and Inequalities in incomes, Education and Health	149,782	21,176	29,631	64,217	9,758	7,500	17,500	-
Delivery Inclusive Economic Growth (including Community Wealth Building)	59,741	24,949	6,131	19,232	6,050	1,700	1,279	400
Tackle Climate Change and reach Net Zero carbon emissions by 2045	138,119	31,670	18,340	31,267	17,205	14,537	12,300	12,800
Build Resilient and Empowered Communities	184,569	44,157	25,936	27,423	26,911	23,092	16,043	21,007
Design a Modern Council	84,187	14,146	12,166	19,869	16,682	9,661	5,910	5,753
Total Gross Expenditure	**616,398**	**136,098**	**92,204**	**162,008**	**76,606**	**56,490**	**53,032**	**39,960**

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 2024-2029 (£000's)					
Resource	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**
Capital expenditure funded from borrowing	121,979	52,283	36,277	37,450	23,494
Capital element of General Capital Grant (net of Private Sector Housing Grant)	11,551	12,578	13,000	13,000	12,578
Capital grants & contributions - corporate	450	450	450	450	450
Capital grants & contributions - project specific	18,421	8,741	4,313	682	2,988
Capital Receipts - Sale of Assets	2,731	2,104	2,000	1,000	-
Capital Fund	426	-	-	-	-
Capital financed from current revenue & programme slippage	6,450	450	450	450	450
Total	**162,008**	**76,606**	**56,490**	**53,032**	**39,960**

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**
2023/24	468,000	182,000	650,000
2024/25	560,000	192,000	752,000
2025/26	581,000	200,000	781,000
2026/27	578,000	216,000	794,000
2027/28	585,000	223,000	808,000
2028/29	574,000	232,000	806,000

* The table above excludes PFI and finance leases

2.3 Liability Benchmark

A third and new prudential indicator for 2024/25 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum, although CIPFA recommends a ten year analysis.

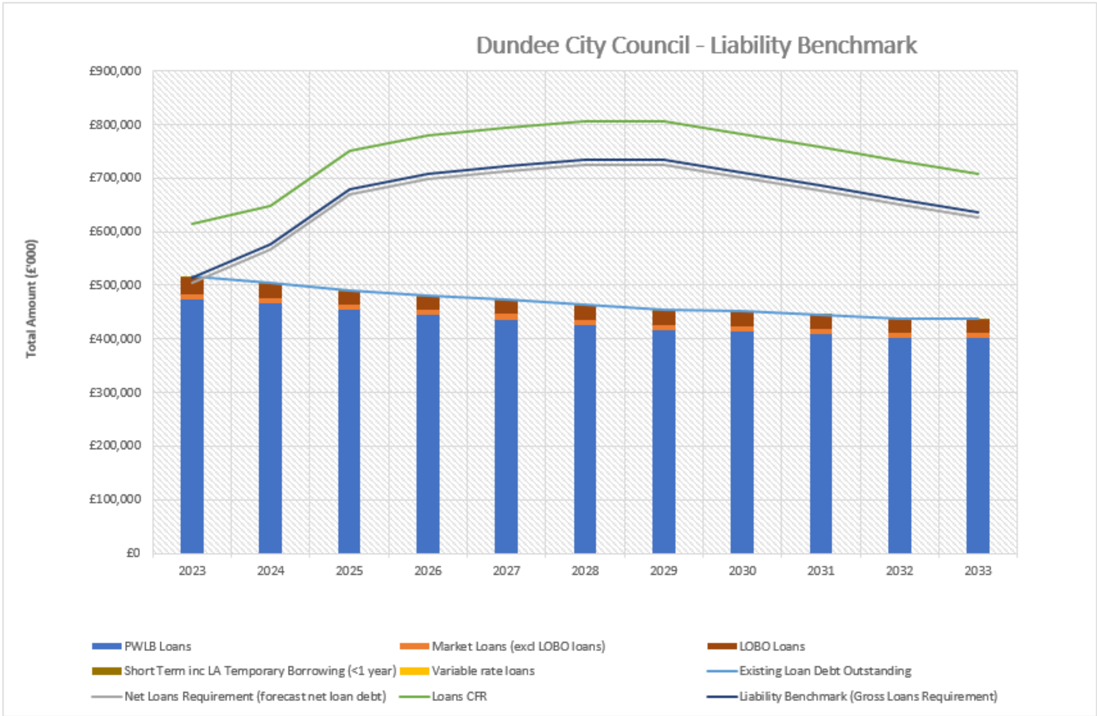
There are four components to the LB: -

1 **Existing loan debt outstanding**: the Council's existing loans that are still outstanding in future years.

2 **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned Loans Fund advances/Loans Fund principal repayments.

3 **Net loans requirement**: this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned Loans Fund principal repayments and any other major cash flows forecast.

4 **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



The Council currently operates an under-borrowed position which means 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 medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. See Borrowing strategy (section 3.4) for more information.

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 appropriate 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 2023, 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	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
External Debt					
Debt at 1 April	711,405	680,257	731,588	828,361	851,182
Expected change in Debt	(26,496)	56,323	102,491	28,734	13,263
Expected change in Other long-term liabilities	(4,652)	(4,992)	(5,718)	(5,913)	(6,182)
Total Gross debt (31 March)	680,257	731,588	828,361	851,182	858,263
Capital Financing Requirement	779,038	808,000	904,000	927,000	934,000
Under Borrowed	98,781	76,412	75,639	75,818	75,737

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 2023/24 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 considers 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**
2023/24	573,000	160,000	733,000
2024/25	675,000	154,000	829,000
2025/26	704,000	148,000	852,000
2026/27	717,000	142,000	859,000
2027/28	731,000	135,000	866,000
2028/29	730,000	129,000	859,000

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**
2023/24	603,000	160,000	763,000
2024/25	705,000	154,000	859,000
2025/26	734,000	148,000	882,000
2026/27	747,000	142,000	889,000
2027/28	761,000	135,000	896,000
2028/29	760,000	129,000	889,000

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 7/2/2023							
	Mar '24	Jun '24	Sep '24	Dec '24	Mar '25	Jun '25	Sep '25
Bank Rate View	5.25	5.25	4.75	4.25	3.75	3.25	3.00
3m av. earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00
6m av. earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10
12m av. earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10
5yr PWLB Rate	4.50	4.40	4.30	4.20	4.10	4.00	3.80
10yr PWLB Rate	4.70	4.50	4.40	4.30	4.20	4.10	4.00
25yr PWLB Rate	5.20	5.10	4.90	4.80	4.60	4.40	4.30
50yr PWLB Rate	5.00	4.90	4.70	4.60	4.40	4.20	4.10
	Dec '25	Mar '26	Jun '26	Sep '26	Dec '26	Mar '27	
Bank Rate View	3.00	3.00	3.00	3.00	3.00	3.00	
3m av. earnings	3.10	3.10	3.10	3.10	3.10	3.10	
6m av. earnings	3.10	3.10	3.10	3.10	3.20	3.20	
12m av. earnings	3.70	3.60	3.60	3.50	3.50	3.50	
5yr PWLB Rate	3.90	3.80	3.70	3.70	3.70	3.70	
10yr PWLB Rate	4.20	4.20	4.10	4.10	4.10	4.10	
25yr PWLB Rate	4.00	4.00	3.90	3.90	3.90	3.90	
50yr PWLB Rate	3.00	3.00	3.00	3.00	3.00	3.00	

The forecast above was reported as at 5th February 2024, and there were no changes to rates forecast from 8th January 2024. Link's central forecast for interest rates was previously updated on 7 November 2023 and reflected a view that the Monetary Policy C would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least the second half of 2024. They expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness). Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

In the upcoming months, their forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

PWLB RATES

The gilt curve has moved a little higher through January and February following big downward movements through November and December, reflecting a "reality check" that central banks are unlikely to be bullied into cutting rates early. At the time of writing there is 50 basis points difference between the 5 and 50 years' parts of the curve.

The balance of risks to the UK economy: The overall balance of risks to economic growth in the UK is even.

Downside risks to current forecasts for UK gilt yields and PWLB rates include:

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- **Geopolitical risks,** for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates:

- Despite the tightening in Bank Rate to 5.25%, the **Bank of England allows inflationary pressures to remain elevated** for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- **The pound weakens** because of a lack of confidence in the UK Government's pre-election fiscal policies, which may prove inflationary, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Projected gilt issuance, inclusive of natural maturities and Quantitive Tightening, could be too much for the markets to comfortably digest without higher yields compensating.

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 medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, base rate continues to increase during the first half of 2023.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 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 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, 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: The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to have peaked at 5.25% in Q4 2023.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average earnings in each year	
2023/24 (residual)	5.30%
2024/25	4.55%
2025/26	3.10%
2026/27	3.00%
2027/28	3.25%
Years 6 to 10	3.25%
Years 10+	3.25%

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 2022/23	Outturn 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
Investment cash balance (31 March)	12,575	5,000	5,000	5,000	5,000
Average investment cash balance	43,696	13,450	15,000	15,000	15,000
Investment interest	825	660	683	465	450
Average interest rate	1.88%	4.91%	4.55%	3.10%	3.00%

The above investment interest is generated from Money Market Funds. We are currently budgeting for £683,000 of income in 2024/25 based on an average interest rate of 4.55% and an average cash balance of £15m.

5 APPENDICES

5.1 CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2024/25 – 2028/29

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 2024-2029 (Article VII of the Policy and Resources Committee of 19 February 2024, report 18-2024 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.

	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Non-HRA	5.8%	7.3%	7.3%	7.4%	7.1%
HRA	34.6%	34.4%	33.5%	34.9%	36.2%

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

Ratio of commercial and service income to net revenue stream

This indicator identifies the trend in commercial and service income against the net revenue stream.

	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Non-HRA	1.4%	1.3%	1.3%	1.3%	1.3%

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			
		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

5.3 INTEREST RATE FORECASTS 2024-2027

The table below shows Link Asset Services view on UK Interest Rates on 5th February 2024.

Link Group Interest Rate View	05.02.24												
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

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 2023. 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.