Renfrewshire Council

To: Council

On: 5 December 2019

Report by: Director of Finance & Resources

Heading: A Prudential Framework for Capital Finance – Progress Report and Treasury Management Strategy Mid-Year Review 2019

Summary

1.1 The Local Government in Scotland Act 2003 and supporting regulations require local authorities to have regard to the following codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA):

- The Prudential Code for Capital Finance in Local Authorities ("the Prudential Code");
- Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes ("the Treasury Management Code").

1.2 The Council set its prudential indicators for 2019/20 on 28th February 2019 and the purpose of this report is to consider the indicators as they stand at 11th October 2019, approximately halfway through the financial year, and revise them as appropriate.

1.3 The Treasury Management Code requires the Council to determine an annual TM Strategy and as a minimum, formally report on their treasury activities and arrangements mid-year and after the year-end. This report covers

- an economic update for the first six months of 2019-2020;
- a review of the Treasury Management Strategy Statement 2019-2020,
- a review of the Council's investment and borrowing in 2019-2020; and
- a review of compliance with treasury management indicators for 2019-2020

Recommendations

2.1 It is recommended that members

- consider this report and approve the changes to the prudential indicators as detailed in the report.
- note the treasury management activity for the period to 11th October 2019.

Background

3.1 The key objectives of the Prudential Code are to ensure, within a clear framework, that:

- Capital investment plans are affordable, prudent and sustainable;
- Treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved;
- That these risks will be managed to an acceptable level to the organisation;
- Capital investment plans are being made in light of the overall organisational strategy and resources, ensuring that decisions are being made with sufficient regard to the long run financial implications and potential risks to the authority.

3.2 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used and the factors that must be taken into account. The Code does not include suggested indicative limits or ratios. These are for the Council to set itself.

3.3 The prudential indicators required by the Code are designed to support and record local decision making. The system is specifically designed to support such local decision making in a manner that is publicly accountable. They are not designed to be comparative performance indicators.

4 **<u>Capital Expenditure Indicators</u>**

4.1 The Council has a duty to determine and keep under review the maximum amount which it can afford to allocate to capital expenditure.

4.2 The Council is required to make estimates of the capital expenditure it plans to incur for the forthcoming financial year and at least the following two years. Separate estimates should be made for Housing and Non Housing services. The Capital Investment Programmes for Housing and Non Housing Capital Investment Programme were approved by Council on the 28th February 2019, the resulting indicators were updated to reflect the approved programme incorporating the decisions taken by the council at the budget meeting.

4.3 Council approved the following as an indicator for capital expenditure:-

CAPITAL EXPENDITURE			
	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Non Housing*	64,384	104,017	85,691
Housing	26,292	33,800	26,528
Total	**90,676**	**137,817**	**112,219**

*The 2019/20 & 2020/21 Non Housing estimate excludes the estimated expenditure in relation to the Private Sector Housing Grant.

4.4 Total capital expenditure to 11th October 2019 is £39.111m, of which £23.544m relates to Non Housing and £15.567m relates to Housing.

4.5 A review of the updated capital spending plan for 2019/20 suggests that the indicators need to be revised as follows for the current year. Indicators for 2020/21 and 2021/22 will be reviewed in February 2020 alongside the budget proposals.

CAPITAL EXPENDITURE	
	2019/20 Probable £'000
Non Housing	57,965
Housing	28,941
Total	**86,906**

4.6 The net decrease of £6.419m in the planned Non Housing capital expenditure during 2019/20 is mainly attributable to the net effect of the following factors:

(i) The carry forward of programmed expenditure from 2018/19 totalling £7.596m.
(ii) The addition of £3.889m funding for projects approved during 2019/20.
(iii) The change in the cash flow profile of a number of programmes resulting in a net adjustment of £17.904m from 2019/20 into 2020/21 and future years as reported to relevant policy boards.
(iv) Reflection of anticipated under-spend on completing programmes.

4.7 The increase of £2.649m in the planned Housing capital expenditure during 2019/20 arises from the net effect of:-

(i) Expenditure brought forward from 2020/21 into 2019/20 as a result of an acceleration of planned programmes totalling £2.649m.

5 CAPITAL FINANCING REQUIREMENT INDICATOR

5.1 *Capital Financing Requirement*: The Council has available to it a number of ways of financing traditionally procured capital investment. The term “financing” does not refer to the payment of cash, but the resources that are applied to ensure that any underlying amount arising from capital payments is dealt with absolutely, whether at the point of spend or over the longer term. A number of financing options involve resourcing the investment at the time that it is incurred. These are:

- Application of useable capital receipts
- A direct charge to revenue for capital expenditure
- The application of capital grants
- Up-front contributions from project partners

5.2 Capital expenditure which is not financed up front by one of the above methods will increase the Capital Financing Requirement of the Council.

5.3 Members approved the following as the indicator for the Capital Financing Requirement at the end of each of the next three years at the Council meeting on 28th February 2019:

CAPITAL FINANCING REQUIREMENT

	31/03/2020 Estimate £m	31/03/2021 Estimate £m	31/03/2022 Estimate £m
Non Housing	273	333	396
Housing	119	133	136
Total	**392**	**466**	**532**

5.4 The revised projected capital financing requirement for 2019/20, based on the position at 11th October 2019 is noted in the table below. The 2020/21 & 2021/22 requirements will be reviewed in February 2020 alongside the budget proposals:

	31/3/20 Probable £m
Non Housing	262
Housing	115
Total	**377**

5.5 The decrease of £11 million in the probable Capital Financing Requirement at 31st March 2020 in Non Housing services arises from a change in the estimated total financing requirement for City Deal expenditure by 31st March 2020 re-profiled into 2020/21 and also a revision of the debt smoothing strategy through accelerated loan fund repayments made in 2018-19.

5.6 The decrease of £4 million in the probable Capital Financing Requirement at 31st March 2020 in Housing services is a result of a revision of the debt smoothing strategy through accelerated loan fund repayments in 2018-19.

6 **EXTERNAL DEBT INDICATORS**

6.1 External debt is referred to as the sum of external borrowing and other long term liabilities (e.g. covenants). The prudential indicators for external debt are set and revised taking into account their affordability. It is through this means that the objective of ensuring that external debt is kept within sustainable prudent limits is addressed year on year.

6.2 External debt indicators are set at two levels: an *operational boundary* and an *authorised limit*. Both of these need to be consistent with the Council's plans for capital expenditure and financing and with its treasury management policy statement and practices.

6.3 *Operational Boundary:* This is the focus of day-to-day treasury management activity within the Council, and is an estimate of the most likely scenario in terms of cash flow. Risk analysis and risk management strategies have been taken into account; as have plans for capital expenditure, estimates of the Capital Financial Requirement and estimates of cashflow requirements for all purposes. It is possible that this boundary could be breached occasionally and this should not be regarded as significant. However, a sustained or regular trend would require investigation and action.

6.4 The Council has set for the current financial year and following two years an Operational Boundary for its total external debt, identifying separately borrowing from other long term liabilities.

OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

	31/03/2020 Estimate £m	**31/03/2021 Estimate £m**	**31/03/2022 Estimate £m**
Borrowing	321	397	466
Other long-term liabiliites	71	69	66
Total	**392**	**466**	**532**

6.5 The probable outturn for the current financial year is anticipated at £377 million, a decrease in the Operational Boundary of £15 million. This is mainly as a result of a combination of a lower borrowing requirement in 2019-20 and revised debt smoothing position as outlined in paragraphs 5.5 and 5.6 in relation to the Capital Financing Requirement. There have been no breaches during the period from 1st April to 11th October which have required action. The 2020/21 and 2021/22 operational boundary will be reviewed in February 2020 alongside the budget proposals.

	31/3/20 Probable £m
Borrowing	306
Other long term liabilities	71
Total	**377**

6.6 *Authorised Limit*: This is based on the same assumptions as the Operational Boundary, with sufficient "headroom" to allow for unusual/exceptional cash movements. Headroom of approximately 5% has been added to the Operational Boundary to arrive at an authorised limit which is sufficient to allow for cash flow management without breaching the limit.

6.7 The Council has set for the forthcoming financial year and following two years an Authorised Limit for its total external debt, but identifying separately borrowing from other long term liabilities.

AUTHORISED LIMIT FOR EXTERNAL DEBT

	31/03/2020 Estimate £m	31/03/2021 Estimate £m	31/03/2022 Estimate £m
Borrowing	337	417	489
Other long-term liabiliites	71	69	66
Total	**408**	**486**	**555**

6.8 The revised anticipated authorised limit for this financial year is projected at £392 million, a decrease of £16 million to the estimate and in line with the operational boundary reduction as outlined in 6.5. The authorised limit will be reviewed on an annual basis and any changes will require approval by Council.

AUTHORISED LIMIT FOR EXTERNAL DEBT

	31/03/2020 Probable £m
Borrowing	321
Other long-term liabilities	71
Total	**392**

6.9 In December 2018 the CIPFA/LASAAC Local Authority Accounting Board confirmed that from 1st April 2020 the CIPFA Code of Practice on Local Authority Accounting would be adopting the accounting standard IFRS 16 Leases. The practical effect of adopting IFRS 16 will be to require any contract the Council has signed which provides the right to rent or lease exclusive use of an asset, such as property or vehicles, to be recognised as an asset on the Council's balance sheet with a corresponding debt liability recognised at the present value of the future lease payments. This liability will be treated as additional borrowing, therefore, increasing the Capital Financing Requirement and other associated Prudential Indicators such as Operational Boundary, Authorised Limit and Revenue to Financing Cost ratios. A full review of all contracts that could be impacted by this is currently under way and will be factored into future Prudential Indicators once the full effect is known.

7 LOAN FUND ADVANCES

7.1 Loans fund accounting arrangements are governed by the provisions set in the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016.

7.2 Repayment of loans fund advances are required to be made in line with the Scottish Government's statutory Guidance on Loans Fund Accounting.

7.3 The aim of prudent repayment is to ensure that the Council's net capital expenditure is financed over a period of years in which that expenditure is expected to provide a benefit and that the repayment each year is reasonably commensurate with the period and pattern of benefits. Housing and Non-Housing advances and associated annual repayments are identified separately.

7.4 Members approved the 2019/20 policy on loan fund repayments on the 28th February 2019. Statutory guidance requires the policy to be approved each year and the 2020/21 policy will be reviewed in February 2020 alongside the budget proposals.

7.5 The Council's current policy is as follows:

> For pre-existing loans advances made up to 31st March 2016 and for forward capital expenditure plans made after 1 April 2016, the policy for the repayment of loan advances will be the Statutory Method (option 1), with loan fund advances being repaid by the annuity method.

The repayment of loan fund advances will therefore be equal to the annual amount determined in accordance with Schedule 3 of the Local Government (Scotland) Act 1975. The Council is permitted to use this option for a transition period only until 31st March 2021 at which time it must change its policy to use alternative approaches based on depreciation, asset life periods or a funding/income profile.

7.6 The Council's latest estimates of its loan fund account information are as follows:

LOAN FUND ACCOUNTING

Year	Opening Balance £m	Advances to GF £m	Advances to HRA £m	Repayment by GF £m	Repayment by HRA £m	Closing Balance £m
2018-19 actual	270	17	8	(6)	(19)	270
2019/20	270	26	25	(1)	(15)	305
2020/21 - 24/25	305	159	58	(22)	(62)	438
2025/26 - 29/30	438	-	-	(74)	(28)	336
2030/31 -34/35	336	-	-	(77)	(26)	233
2035/36 -39/40	233	-	-	(37)	(22)	174
2040/41 - 44/45	174	-	-	(41)	(25)	108
2045/46 - 49/50	108	-	-	(40)	(9)	59
2050/51 -54/55	59	-	-	(30)	(1)	28
2055/56 -59/60	28	-	-	(21)	(1)	6
2060/61 - 64/65	6	-	-	(6)	-	-

8 **INDICATORS FOR AFFORDABILITY**

8.1 A key measure of affordability is the incremental impact of investment decisions on the council tax or house rents. Estimates of the ratio of financing costs to net revenue stream provide an indication of how much of the Council's revenue is committed to the repayment of debt.

8.2 As reported to Council on 28th February 2019 the ratios for the next 3 years are shown in the table below:

RATIO OF FINANCING COSTS TO NET REVENUE STREAM

	2019/20	2020/21	2021/22
	Estimate	Estimate	Estimate
Non Housing	4.57%	4.59%	4.87%
Housing	42.23%	41.44%	39.74%

8.3 The revised ratios for 2019/20, based on the position at 11th October 2019 is noted in the table below. The 2020/21 & 2021/22 requirements will be reviewed in February 2020 alongside the budget proposals;

RATIO OF FINANCING COSTS TO NET REVENUE STREAM

	31/03/2020
	Probable
Non Housing	4.04%
Housing	42.17%

9 **Treasury Management Mid Year Review 2019/20**

9.1 The following paragraphs outline a review of the economy over the first half of 2019-2020.

9.2 UK Consumer Price Inflation (CPIH) was 1.7% year/year in September 2019 unchanged from August 2019. This is below the Bank of England's target of 2%. The most recent labour market data for the three months to August 2019 show that the number of people in work decreased, the number of unemployed people increased and the number of people aged from 16 to 64 not working and not seeking or available to work increased across the period. The unemployment rate was 3.9%, lower than a year earlier (4.0%), but higher than the previous quarter (3.8%). The employment rate was 75.9%, higher than a year earlier (75.6%) but lower than the previous quarter (76.1%). Nominal wages increased by 3.8% for both total pay (including bonuses) and regular pay (excluding bonuses). Real wages excluding bonuses was estimated to be 2.0% and including bonuses was 1.9%.

9.3 The Quarterly National Accounts for Q2 GDP confirmed the UK economy contracted by 0.2% following the 0.5% gain in Q1 which was distorted by stockpiling ahead of Brexit. Only the services sector registered an increase in growth of 0.1%, with both production and construction falling and the former registering its largest drop since Q4 2012. Business investment fell by 0.4% (revised from -0.5% in the first estimate) as Brexit uncertainties impacted on business planning and decision-making.

9.4 Tensions continued between the US and China with no trade agreement in sight and both countries imposing further tariffs on each other's goods. The US Federal Reserve cut its target Federal Funds rates by 0.25% in September to a range of 1.75% - 2%, a pre-emptive move to maintain economic growth amid escalating concerns over the trade war and a weaker economic environment leading to more pronounced global slowdown.

9.5 **Financial markets**: After rallying early in 2019, financial markets have been adopting a more risk-off approach in the following period as equities saw greater volatility and bonds rallied (prices up, yields down) in a flight to quality and anticipation of more monetary stimulus from central banks. The Dow Jones, FTSE 100 and FTSE 250 are broadly back at the same levels seen in March/April.

9.6 Gilt yields remained volatile over the period on the back of ongoing economic and political uncertainty. From a yield of 0.63% at the end of June, the 5-year benchmark gilt yield fell to 0.32% by the end of September. There were falls in the 10-year and 20-year gilts over the same period, with the former dropping from 0.83% to 0.55% and the latter falling from 1.35% to 0.88%. Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth remains a global risk.

9.7 HM Treasury implemented a significant change of policy for PWLB loans on 9 October 2019. The margin applied to PWLB loan rates was increased by 1% from 80 basis points to 180 basis points. An increase of this scale will require the Council to consider carefully how this increase in rate will affect investment and borrowing decisions. HM Treasury is keen to ensure borrowing across local government is controlled and recently they have observed a clear correlation between the historically low PWLB rates and the high levels of borrowing undertaken in recent months. HM Treasury increased the overall statutory PWLB limit for local authority borrowing by £10bn to £95bn and they were fearful that at the current rate of borrowing, this could be exhausted in a few months. In order to control the demand for funds they have increased rates.

9.8 PWLB borrowing remains available to the Council with most rates at or below 3% and this is still low in absolute or historical terms. However, these levels are expensive when compared to the alternatives and other market rates. Short-term "local to local" funding is available at around Bank Rate, 0.75%, or lower, and long-term market alternatives are likely to be substantially cheaper than current PWLB rates. Given these savings, and the prospects of a potential improvement in PWLB margin over the short to medium term, the Council will examine alternative sources of long-term funding if the need to borrow arises later in the financial year, however this is not currently anticipated.

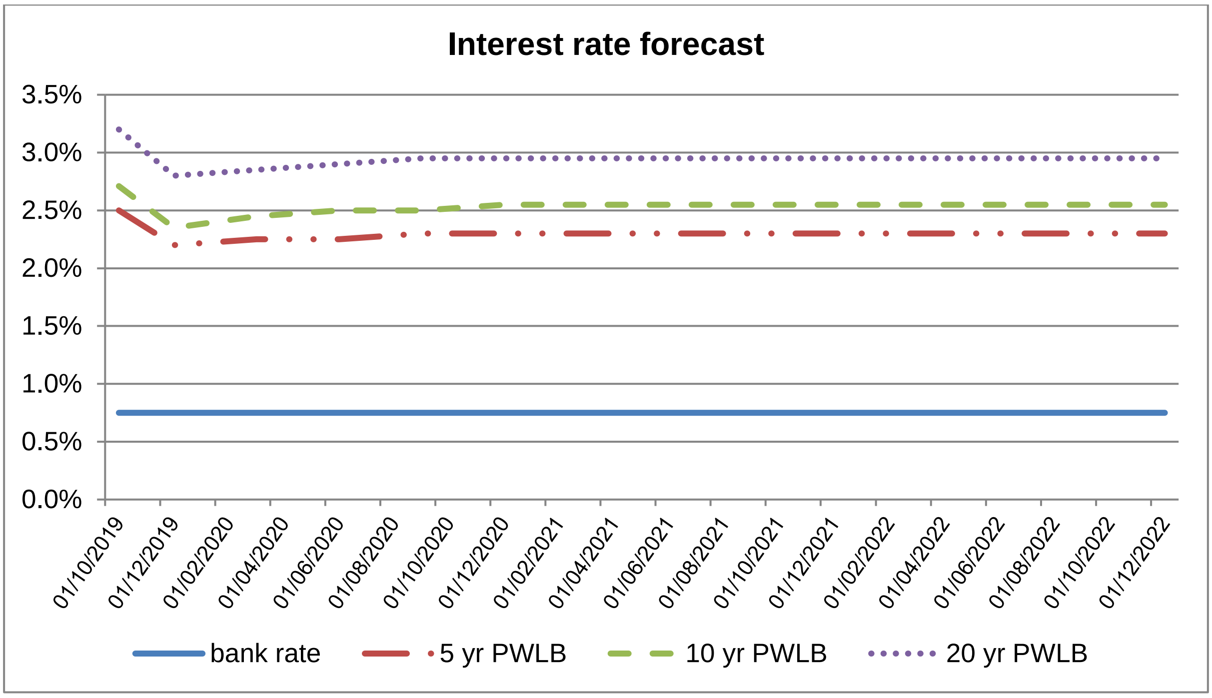
9.9 **Credit background**: There were minimal credit rating changes during the period. Moody's upgraded The Co-operative Bank's long-term rating to B3 and Fitch upgraded Clydesdale Bank and Virgin Money to A-.

10 <u>Outlook for the remainder of 2019/20</u>

10.1 The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased dramatically.

10.2 There appears no near-term resolution to the trade dispute between China and the US. Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

10.3 Our treasury advisors, Arlingclose, expect Bank Rate to remain at 0.75% for the foreseeable future but there remains substantial risks to this forecast, dependant on Brexit outcomes and the evolution of the global economy. Arlingclose also expects gilt yields to remain low for the foreseeable future and judge the risks to be weighted to the downside and that volatility will continue to offer longer-term borrowing opportunities.



11 **Review of the Treasury Management Strategy Statement 2019-2020 (incorporating annual investment strategy) as at 11th October 2019**

11.1 The Treasury Management Strategy Statement for 2019-2020 was approved by Council on 28 February 2019. The Council's annual investment strategy, which is incorporated in the Treasury Management Strategy Statement, sets out the Council's investment priorities as follows:

- the security of capital and
- the liquidity of its investments.

11.2 The Council also aims to achieve the optimum returns on its investments commensurate with the proper levels of security and liquidity. Investments and borrowing during the first six months of the year have been in line with the strategy and there have been no changes to the policies set out in the Treasury Management Strategy Statement 2019-2020. The details in this report update the position in light of the updated economic position and budgetary changes already approved.

12 **Review of borrowing and investments over the period 1 April 2019 to 11th October 2019**

12.1 The Council's net borrowing position as at 11th October 2019 is shown in Appendix 1.

12.2 During the period 1 April 2019 to 11th October 2019 the Council's total external borrowings have decreased by £1.9 million to £222.72 million, due to the scheduled repayments of PWLB debt.

12.3 During the period 1 April 2019 to 11th October 2019, temporary investments have increased from £153.69 million to £171.2 million. The increase in investments is after financing the £1.9 million of debt repayment and reflects:

- the re-profiling of elements of the current capital programme;
- the "front-loading" (that is, more income being received in the early part of the year) of revenue support grant income and non-domestic rates pool receipts.

12.4 The Director of Finance and Resources confirms that, during the period 1 April 2019 to 11th October 2019, the approved limits set out within the annual investment strategy sections of the Treasury Management Strategy Statement 2019-2020 were complied with. The Council only invested with institutions listed in the Council's approved lending list. Similarly, only permitted investment vehicles were used, mainly call accounts, fixed term deposits and money market funds.

12.5 In accordance with CIPFA's Treasury Management in the Public Services Code of Practice, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite.

12.6 The table below shows the average interest rate achieved by the Council on its temporary investments during the period 1 April 2019 to 11th October 2019. The table also shows for comparison the benchmark comparator, which is the average 7-day LIBID rate (uncompounded). (The 7-day LIBID rate is the London Interbank Bid Rate, being the rate at which a bank is willing to borrow from other banks, for borrowings of a maturity of seven days.)

Interest rates achieved on investments	Average value of investments	Actual rate of return	Benchmark return
Internally managed investments	£167.72m	0.860%	0.57%

12.7 **Debt rescheduling**

Debt rescheduling opportunities have been limited in the current economic climate and may be impacted by the increased margin applied by the PWLB as outlined at 9.7 above. It is not anticipated that this is likely to change over the short to medium term. However, in conjunction with the Council's treasury advisors, the service will remain alert to any opportunities which may arise.

13 **Review of compliance with treasury management indicators for 2019-2020**

13.1 During the period 1 April 2019 to 11th October 2019 the Council complied with the approved treasury management indicators as set out in the Treasury Management Strategy Statement 2019-2020. These indicators relate to:

- interest rate exposures: the upper limit on the proportion of investments which are exposed to fixed interest rates and the upper limit on the proportion of investments which are exposed to variable interest rates;
- the maturity structure of borrowing: the lower and upper limits on the proportion of investments which fall into each maturity band.

13.2 In addition to the treasury management indicators referred to at 13.1, there are two prudential indicators (as set out in the Prudential Framework for Capital Finance 2016-2018 and Treasury Management Strategy Statement 2019-2020, approved by Council on 28 February 2019) which are of particular relevance to the Council's treasury management strategy:

- operational boundary for external debt;
- authorised limit for external debt.

13.3 During the period 1 April 2019 to 11th October 2019 the Council operated within the operational boundary for external debt, and within the authorised limit for external debt. These indicators, along with the Council's actual external debt, are shown in Appendix 2.

Implications of the Report

1. **Financial** – Prudential indicators are being monitored by the Director of Finance and Resources throughout the year. They are based directly on the Council's Capital and Revenue budgets, as detailed in the other reports considered by the Council on 28th February 2019 and reported to the Council's Policy Boards on a regular basis.

2. **HR & Organisational Development** – None

3. **Community/Council Planning** – None

4. **Legal** – None

5. **Property/Assets** – None

6. **Information Technology** – None

7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** - None

9. **Procurement** - None

10. **Risk** - The Treasury Management Strategy Statement and treasury management indicators provide a framework to take forward the Council's treasury activities in the context of the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. This mid-year review report demonstrates that the treasury management activities carried out during the period 1 April 2019 to 11 October 2019 have been consistent with the Treasury Management Strategy Statement 2019-2020 and have complied with the treasury management indicators set out in the Strategy Statement.

11. **Privacy Impact** – None

12. **Climate Risk –** None

13. **Cosla Policy Position –** None

List of Background Papers

(a) Non-Housing Capital Investment Programme 2019/20 – 2021/22, Appendix 6: Prudential Framework for Capital Finance 2019-2022 (estimates) and Treasury Management Strategy Statement 2019-22. Council, 28th February 2019.

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Appendix 1

Borrowing and investment position as at 11 October 2019

	balance at 01-Apr-19	new borrowing in 2019-2020	principal repayments	debt restructuring	net cash movements	balance at 11-Oct-19
Long term borrowings						
PWLB - fixed	171,673,974.45	-	(1,865,168.28)	-	-	169,808,806.17
PWLB - variable	-	-	-	-	-	-
Market loans	52,916,000.00	-	-	-	-	52,916,000.00
	224,589,974.45	-	(1,865,168.28)	-	-	222,724,806.17
Short term borrowings						
Temporary loans	-	-	-	-	-	-
	-	-	-	-	-	-
Total external borrowings	224,589,974.45	-	(1,865,168.28)	-	-	222,724,806.17
Investments						
Fixed term deposits	103,000,000.00	-	-	-	40,580,000.00	143,580,000.00
Notice accounts	0.00	-	-	-	0.00	0.00
Call accounts	18,855,000.00	-	-	-	(18,755,000.00)	100,000.00
Money market funds	31,830,000.00	-	-	-	170,000.00	32,000,000.00
Total investments	153,685,000.00	-	-	-	21,995,000.00	175,680,000.00
Net borrowing	70,904,974.45	-	(1,865,168.28)	-	21,995,000.00	47,044,806.17

Treasury Management Indicators as at 11 October 2019

	2019-2020 estimate	2019-2020 probable	2020-2021 estimate	2021-2022 estimate
Authorised limit for external debt	£408m	£392m	£486m	£555m
Operational boundary for external debt	£392m	£377m	£466m	£532m
Actual external debt at 11 October 2019	n/a	£296.99m	n/a	n/a
Upper limit for fixed interest rate exposure (borrowing) expressed as percentage of total net outstanding principal	100%	n/a	100%	100%
Upper limit for variable interest rate exposure (borrowing) expressed as percentage of total net outstanding principal	25%	n/a	25%	25%

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	new borrowing in 2019-2020		total of all borrowing	
	value	maturity structure	upper limit	actual at 11 Oct 2019
Maturity structure of fixed rate borrowing				
under 12 months	0	0%	15%	0.65%
12 months and within 24 months	0	0%	15%	0.55%
24 months and within 5 years	0	0%	45%	1.59%
5 years and within 10 years	0	0%	50%	4.50%
10 years and above	0	0%	100%	92.70%