

## **COUNCIL – 12 SEPTEMBER 2017**

### **TREASURY MANAGEMENT OUTTURN 2016/17**

#### **Report by Chief Finance Officer**

#### **Introduction**

1. The Chartered Institute of Public Finance and Accountancy's (CIPFA's) 'Code of Practice on Treasury Management (Revised) 2009' requires that the Council (via Cabinet) and Audit & Governance Committee receives an updated report on Treasury Management activities at least twice per year. This report is the second report for the financial year 2016/17 and sets out the position as at 31 March 2017.
2. Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
3. The following annexes are attached
  - Annex 1 Debt Financing 2016/17
  - Annex 2 Public Works Loan Board (PWLB) Maturing Debt
  - Annex 3 Lending List Changes
  - Annex 4 Investment portfolio 31/03/2017
  - Annex 5 Prudential Indicators Outturn
  - Annex 6 Benchmarking

#### **Strategy 2016/17**

4. The Treasury Management Strategy for 2016/17 was based on an average base rate forecast of 0.55%. The budget for interest receivable assumed that an average interest rate of 0.85% would be achieved, 0.30% above base rate.
5. The Strategy for Long Term Borrowing included the option to fund new or replacement borrowing up to the value of 15% of the portfolio through internal borrowing to reduce the Council's exposure to credit risk and reduce the cost of carry (difference between borrowing costs and investment returns) whilst debt rates remained higher than investment interest rates. The 15% limit was reduced from 25% in 2015/16 due to estimated reductions in cash balances over the medium term.
6. The Strategy requires that the Treasury Management Strategy Team (TMST) continue to keep external fund investments under review, with decisions to advance or withdraw funds to external fund managers delegated to the TMST.

## External Context – Provided by Arlingclose

7. **Economic background:** Politically, 2016/17 was an extraordinary twelve month period which defied expectations when the UK voted to leave the European Union and Donald Trump was elected the 45th President of the USA. Uncertainty over the outcome of the US presidential election, the UK's future relationship with the EU and the slowdown witnessed in the Chinese economy in early 2016 all resulted in significant market volatility during the year. Article 50 of the Lisbon Treaty, which sets in motion the 2-year exit period from the EU, was triggered on 29th March 2017.
8. UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year/year in April 2016 to 2.3% year/year in March 2017.
9. In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases as well as provide cheap funding for banks via the Term Funding Scheme to maintain the supply of credit to the economy.
10. Despite growth forecasts being downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of 2016. The labour market also proved resilient, with the International Labour Organization (ILO) unemployment rate dropping to 4.7% in February, its lowest level in 11 years.
11. Following a strengthening labour market, in moves that were largely anticipated, the US Federal Reserve increased rates at its meetings in December 2016 and March 2017, taking the target range for official interest rates to between 0.75% and 1.00%.
12. **Financial markets:** Following the referendum result, gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. After September there was a reversal in longer-dated gilt yields which moved higher, largely due to the MPC revising its earlier forecast that Bank Rate would be dropping to near 0% by the end of 2016. The yield on the 10-year gilt rose from 0.75% at the end of September to 1.24% at the end of December, almost back at pre-referendum levels of 1.37% on 23rd June. 20- and 50-year gilt yields also rose in Q3 2017 to 1.76% and 1.70% respectively, however in Q4 yields remained flat at around 1.62% and 1.58% respectively.
13. After recovering from an initial sharp drop in Q2, equity markets rallied, although displaying some volatility at the beginning of November following the

US presidential election result. The FTSE-100 and FTSE All Share indices closed at 7342 and 3996 respectively on 31st March, both up 18% over the year. Commercial property values fell around 5% after the referendum, but had mostly recovered by the end of March.

14. Money market rates for overnight and one week periods remained low since Bank Rate was cut in August. 1- and 3-month LIBID rates averaged 0.36% and 0.47% respectively during 2016-17. Rates for 6- and 12-months increased between August and November, only to gradually fall back to August levels in March, they averaged 0.6% and 0.79% respectively during 2016-17.
15. **Credit background:** Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune, although the fall in their share prices was less pronounced.
16. Fitch and Standard & Poor's downgraded the UK's sovereign rating to AA. Fitch, S&P and Moody's have a negative outlook on the UK. Moody's has a negative outlook on those banks and building societies that it perceives to be exposed to a more challenging operating environment arising from the 'leave' outcome.
17. None of the banks on the Authority's lending list failed the stress tests conducted by the European Banking Authority in July and by the Bank of England in November, the latter being designed with more challenging stress scenarios, although Royal Bank of Scotland was one of the weaker banks in both tests. The tests were based on banks' financials as at 31st December 2015, 11 months out of date for most. As part of its creditworthiness research and advice, the Authority's treasury advisor Arlingclose regularly undertakes analysis of relevant ratios - "total loss absorbing capacity" (TLAC) or "minimum requirement for eligible liabilities" (MREL) - to determine whether there would be a bail-in of senior investors, such as local authority unsecured investments, in a stressed scenario.
18. **Treasury Management Activity**

### **Debt Financing**

19. The Council's debt financing position for 2016/17 is shown in Annex 1.
20. The option to fund new or replacement borrowing requirements from internal balances, up to the value of 15% of the investment portfolio was included in the 2016/17 annual treasury management strategy. This was intended to reduce the cost of carry of borrowing which is the difference between borrowing rates and investment returns. The 15% limit was reduced from 25% in 2015/16 due to the estimated reduction in cash balances over the medium term.

21. No new borrowing was arranged during 2016/17 with either the Public Works Loan Board (PWLB) or through the money markets.
22. At 31 March 2017, the authority had 63 PWLB loans totalling £335.383m, 9 LOBO<sup>1</sup> loans totalling £45m and one money market loan totalling £5m. The average rate of interest paid on PWLB debt was 4.53% and the average cost of LOBO debt in 2016/17 was 3.94%. The cost of debt on the one money market loan was 3.95%. The combined weighted average for interest paid on long-term debt was 4.54%.
23. The Council continues to qualify for the Certainty Rate on PWLB loans, offering a 0.20% discount on the Standard Rate (currently gilts plus 1.00%). Qualification is based on provision of additional information on long-term borrowing and associated capital spending plans.

### **Maturing Debt**

24. The Council repaid £8m of maturing PWLB loans during the year. The weighted average interest rate payable on the matured loans was 5.025%. The details are set out in Annex 2.

### **Debt Restructuring**

25. In June 2016, the Council's LOBO with Barclays PLC was converted to a fixed rate loan at its current interest rate of 3.95% to mature on the 29<sup>th</sup> May 2065 with Barclays waiving their right to change the interest rate on the loan in the future.

### **Investment Strategy**

26. Security and liquidity of cash was prioritised above the requirement to maximise returns. The Council adopted a cautious approach to lending to financial institutions, and continuously monitored credit quality information regarding the institutions on the Council's approved Lending List.
27. During 2016/17 the Council limited the exposure to banks by lending to local authorities. At 31 March 2017 the Council had £75m of long term fixed deposits (deposits over 364 days), all of which were placed with local authorities. The aim was to maintain a high level of security and manage exposure to interest rate and counterparty risk.
28. The weighted average maturity of all deposits at 31 March 2017, including money deposited in short-term notice accounts, was 266 days (compared with 315 days during 2015/16). This comprised £240m fixed deposits with a weighted average maturity of 346 days, £29.8m in notice accounts with a weighted average maturity of 97.5 days and £53.622m invested in money market funds and call accounts with same day liquidity. The decrease in

---

<sup>1</sup> LOBO (Lender's Option/Borrower's Option) Loans are long-term loans which include a re-pricing option for the bank at predetermined intervals.

weighted average maturity was due to a combination of a reduction in the maximum limit for fixed deposits from £150m in 2015/16 to £100m in 2016/17 and continuing uncertainty throughout the year over the timing of a potential rise in the base rate.

29. The Council used fixed deposits, call accounts, notice accounts, money market funds and pooled funds to deposit its in-house cash surpluses during 2016/17.

### **The Council's Lending List**

30. The Council's in-house cash balances are deposited with institutions that meet the Council's approved credit rating criteria. The approved Lending List is regularly updated during the year to reflect changes in bank and building society credit ratings. Changes are reported to the Cabinet on a regular basis as part of the Financial Monitoring & Business Strategy Delivery reports. The approved lending list may also be further restricted by officers, in response to changing conditions and perceived risk. Annex 3 shows the amendments incorporated into the Lending List during 2016/17, in accordance with the approved credit rating criteria and additional temporary restrictions.

### **Investment Outturn**

31. The average daily balance of temporary surplus cash invested in-house was £323m in 2016/17. The Council achieved an average in-house return for the year of 0.77%, producing gross interest receivable of £2.505m. Temporary surplus cash balances include: developer contributions; council reserves and balances; trust fund balances; and various other funds to which the Council pays interest at each financial year end, based on the average three month London Interbank Bid (LIBID) rate.
32. The sale of the Council's £17m investment in the Aberdeen Sterling Investment Cash Fund resulted in a realisable gain of £0.452m in 2016/17. Gross distributions from pooled funds totalling £1.062m were also realised in year, bringing total investment income to £4.019m. This compares to budgeted investment income of £3.160m, giving a net overachievement of £0.859m. The overachievement in income received was due to a combination of higher than forecast average cash balances and large distributions and realised gains from pooled funds. The 2016/17 accounts also recognise an increase in the value of available for sale assets of £0.805m.
33. As at 31 March 2017 the total value of pooled fund investments was £56.328m. This included an overall gain of £2.262m on the purchase value of the assets. Gains are held at the available for sale reserve and cannot be realised as investment income until the point at which fund units are sold.
34. During 2016/17 the average three month LIBID rate was 0.32%. The Council's average in-house return of 0.77% exceeded this benchmark by 0.45%. The average in-house return was 0.08% lower than the rate of interest of 0.85% assumed in the budget. The budget forecast was calculated prior to the EU referendum at which time Arlingclose were forecasting that a 0.25% increase in

the UK Bank Rate would occur in the third quarter of 2016. However, due to ongoing economic uncertainty the Monetary Policy Committee instead chose to reduce the bank rate to 0.25% in August 2016.

35. The Council operates a number of instant access call accounts and money market funds to deposit short-term cash surpluses. During 2016/17 the average balance held on instant access was £64.38m.
36. At 31 March 2017, the Council's investment portfolio of £377.056m comprised £240m of fixed term deposits, £29.80m in notice accounts, £53.634m at short term notice in money market funds and call accounts and £56.622m in pooled funds with a variable net asset value (VNAV). Annex 4 provides an analysis of the investment portfolio at 31 March 2017.
37. The council's Treasury Management Strategy Team regularly monitors the risk profile of the Council's investment portfolio. An analysis of the credit and maturity position of the portfolio at 31 March 2017 is shown in Annex 4.

### **External Fund Managers**

38. In April 2016 the Treasury Management Strategy Team approved the decision to sell the Council's entire £17m investment in the Aberdeen Sterling Cash Fund. The sale resulted in a realisable gain of £0.452m.
39. During 2016/17, £0.041m of annual management charge rebate relating to the Threadneedle Strategic Bond Fund was automatically re-invested in the fund.

### **Prudential Indicators for Treasury Management**

40. During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Report. The outturn for the Prudential Indicators is shown in Annex 5.

### **External Performance Indicators and Statistics**

41. The County Council is a member of the CIPFA Treasury and Debt Management Benchmarking Club and completed returns for the financial year 2016/17. The results of this exercise are not yet available.
42. The Council's treasury management advisors Arlingclose also benchmark the Council's investment performance against its other clients on a quarterly basis. The results of the quarter 4 benchmarking to 31 March 2017 are included in Annex 6.
43. The benchmarking results show that the Council was achieving higher than average interest on deposits at 31 March 2017, when compared with a group of 136 other local authorities. This has been achieved by placing deposits over a longer than average duration with institutions that are of higher than average credit quality.

44. Oxfordshire had a higher than average allocation to external funds, fixed and local authority deposits when compared with other local authorities in the benchmarking exercise. Oxfordshire also had a notably lower than average exposure to money market funds, call accounts and certificates of deposit.

### **Financial and Legal Implications**

45. This report is mostly concerned with finance and the implications are set out in the main body of the report.
46. The combined activities of debt and investment management contribute to the strategic measures element of the Council's budget. The outturn for Interest Payable in 2016/17 was £17.5m which is in line with the budget in the Medium Term Financial Plan.

### **RECOMMENDATION**

47. **Council is RECOMMENDED to note the Council's Treasury Management Activity in 2016/17.**

**LORNA BAXTER**  
Director of Finance

Contact officer: Joseph Turner

Telephone Number: 07392 318984

.July 2017

## OXFORDSHIRE COUNTY COUNCIL DEBT FINANCING 2016/17

<u>Debt Profile</u>		£m
1. PWLB	87%	343.38
2. Money Market LOBO loans	12%	45.00
3. Money Market Fixed Rate loans	1%	<u>5.00</u>
4. Sub-total External Debt		393.38
5. Internal Balances	0 %	<u>-36.86</u>
<b>6. Actual Debt at 31 March 2016</b>	<b>100%</b>	<b>356.52</b>
7. Government Supported Borrowing		0.00
8. Unsupported Borrowing		8.73
9. Borrowing in Advance		0.00
10. Minimum Revenue Provision		<u>-15.00</u>
<b>11. Actual Debt at 31 March 2017</b>		<b>350.25</b>
<u>Maturing Debt</u>		
12. PWLB loans maturing during the year		8.00
13. PWLB loans repaid prematurely in the course of debt restructuring		<u>0.00</u>
<b>14. Total Maturing Debt</b>		<b>8.00</b>
<u>New External Borrowing</u>		
15. PWLB Normal		0.00
16. PWLB loans raised in the course of debt restructuring		0.00
17. Money Market LOBO loans		0.00
18. Money Market Fixed Rate loans		<u>0.00</u>
<b>19. Total New External Borrowing</b>		<b>0.00</b>
<u>Debt Profile Year End</u>		
20. PWLB	87%	335.38
21. Money Market LOBO loans	12%	45.00
22. Money Market Fixed Rate loans	1%	<u>5.00</u>
23. Sub-total External Debt		385.38
24. Internal Balances	0 %	<u>-35.13</u>
<b>25. Actual Debt at 31 March 2017</b>	<b>100%</b>	<b>350.25</b>



**Line**

- 1-6. This is a breakdown of the Council's debt at the beginning of the financial year (1 April 2016). The PWLB is a government agency operating within the Debt Management Office. LOBO (Lender's Option/ Borrower's Option) loans are long-term loans, with a maturity of up to 60 years, which includes a re-pricing option for the bank at predetermined time intervals. Internal balances include provisions, reserves, revenue balances, capital receipts unapplied and excess of creditors over debtors.
7. 'Government Supported Borrowing' is the amount that the Council can borrow in any one year to finance the capital programme. This is determined by Central Government, and in theory supported through the Revenue Support Grant (RSG) system.
8. 'Unsupported Borrowing' reflects Prudential Borrowing taken by the authority whereby the associated borrowing costs are met by savings in the revenue budget.
9. 'Borrowing in Advance' is the amount the Council borrowed in advance during 2016/17 to fund future capital finance costs.
10. The amount of debt to be repaid from revenue. The sum to be repaid annually is laid down in the Local Government and Housing Act 1989, which stipulates that the repayments must equate to at least 4% of the debt outstanding at 1 April each year.
11. The Council's total debt by the end of the financial year at 31 March 2017, after taking into account new borrowing, debt repayment and movement in funding by internal balances.
12. The Council's normal maturing PWLB debt.
13. PWLB debt repaid early during the year.
14. Total debt repaid during the year.
15. The normal PWLB borrowing undertaken by the Council during 2016/17.
16. New PWLB loans to replace debt repaid early.
17. The Money Market LOBO borrowing undertaken by the Council during 2016/17.
18. The Money Market Fixed Rate borrowing undertaken by the Council during 2016/17.
19. The total external borrowing undertaken.
- 20-25. The Council's debt profile at the end of the year.

**Long-term debt Maturing 2016/17****Public Works Loan Board: Loans Maturing in 2016/17**

<b>Date</b>	<b>Amount £m</b>	<b>Rate %</b>	<b>Repayment Type</b>
22/11/2016	2.000	7.750	Maturity
31/08/2016	4.000	5.000	Maturity
13/07/2016	0.500	2.350	EIP
13/01/2017	0.500	2.350	EIP
31/07/2016	0.500	2.350	EIP
31/01/2017	0.500	2.350	EIP
<b>Total</b>	<b>8.000</b>		

**Repayment Types**

Maturity – Full amount of principal is repaid at the final maturity date

EIP – Equal Instalments of Principal are repaid every 6 months until the final maturity date

## Lending List Changes during 2016/17

## Lending limits &amp; maturity limits changed from 1 April 2016

	01/04/2016		31/03/2017	
	Lending Limit	Maximum Maturity	Lending Limit	Maximum Maturity
Santander UK plc – PF A/c	50% Pension Fund Portfolio	6 months	<b>£15,000,000</b>	6 months
Lloyds Bank plcs – Callable Deposit A/c (OXFORDCCPEN)	50% Pension Fund Portfolio	9 months	<b>£25,000,000</b>	<b>6 months</b>
Standard Life Sterling Liquidity Fund – (Pension Fund)	50% Pension Fund Portfolio	6 months	<b>£25,000,000</b>	6 months
Svenska Handelsbanken – Call Account (Pension Fund)	50% Pension Fund Portfolio	6 months	<b>£25,000,000</b>	6 months
Royal Bank of Canada	£25,000,000	364 days	<b>£15,000,000</b>	364 days

## Counterparties suspended from 1 April 2016

National Bank of Canada

## Annex 4

## OXFORDSHIRE COUNTY COUNCIL INVESTMENT PORTFOLIO 31/03/2017

## Fixed term deposits held at 31/03/2017

Counterparty	Principal Deposited (£)	Maturity Date
City & County of Swansea	£3,000,000.00	24-Apr-17
Stirling Council	£3,000,000.00	23-May-17
United Overseas Bank	£5,000,000.00	26-May-17
West Dunbartonshire Council	£2,000,000.00	07-Jun-17
Police & Crime Commissioner for Northumbria	£5,000,000.00	30-Jun-17
Toronto-Dominion Bank	£5,000,000.00	14-Jul-17
Warrington Borough Council	£5,000,000.00	21-Jul-17
The Highland Council	£5,000,000.00	25-Jul-17
Lloyds Bank plc	£5,000,000.00	31-Jul-17
South Ayrshire Council	£5,000,000.00	04-Aug-17
DBS Bank (Development Bank of Singapore)	£5,000,000.00	04-Aug-17
Rabobank Group	£5,000,000.00	24-Aug-17
Surrey Heath Borough Council	£5,000,000.00	25-Aug-17
West Dunbartonshire Council	£5,000,000.00	25-Aug-17
Lloyds Bank plc	£5,000,000.00	08-Sep-17
Toronto-Dominion Bank	£5,000,000.00	11-Sep-17
Salford City Council	£2,000,000.00	13-Sep-17
Close Brothers Ltd	£5,000,000.00	15-Sep-17
Salford City Council	£2,000,000.00	20-Sep-17
Thurrock Council	£2,000,000.00	20-Sep-17
Salford City Council	£1,000,000.00	21-Sep-17
Salford City Council	£2,000,000.00	22-Sep-17
Toronto-Dominion Bank	£5,000,000.00	12-Oct-17
Canadian Imperial Bank of Commerce	£5,000,000.00	12-Oct-17
Fife Council	£5,000,000.00	24-Nov-17
Dundee City Council	£5,000,000.00	27-Nov-17
Rabobank Group	£5,000,000.00	29-Nov-17
North Tyneside Council	£5,000,000.00	18-Dec-17
Bank of Montreal	£5,000,000.00	04-Jan-18
Dorset County Council	£5,000,000.00	09-Jan-18
Lancashire County Council	£5,000,000.00	18-Jan-18
Exeter City Council	£10,000,000.00	01-Feb-18
Runnymede Borough Council	£5,000,000.00	09-Feb-18
Fife Council	£5,000,000.00	20-Feb-18
Stockport Metropolitan Borough Council	£5,000,000.00	09-Mar-18
Birmingham City Council	£5,000,000.00	19-Mar-18
Fife Council	£3,000,000.00	29-Mar-18
Lancashire County Council	£5,000,000.00	04-May-18
Fife Council	£10,000,000.00	26-Jun-18
Warrington Borough Council	£5,000,000.00	20-Jul-18
Glasgow City Council	£5,000,000.00	24-Jul-18
Glasgow City Council	£5,000,000.00	30-Jul-18
Fife Council	£2,000,000.00	07-Sep-18

Lancashire County Council	£5,000,000.00	15-Oct-18
Lancashire County Council	£5,000,000.00	15-Oct-18
The Highland Council	£10,000,000.00	01-Feb-19
Walsall Council	£5,000,000.00	13-Dec-19
Northumberland County Council	£8,000,000.00	20-Dec-19
Liverpool City Council	£5,000,000.00	10-Jan-20
Liverpool City Council	£5,000,000.00	20-Jan-20

**Total £240,000,000.00**

### Money Market Funds

Counterparty	Balance at 31/03/17 (£)	Notice period
Standard Life Sterling Liquidity Fund	25,000,000.00	Same day
Federated Sterling Liquidity Funds	12,000,000.00	Same day
LGIM Sterling Liquidity Fund – Class 4	16,622,000.00	Same day
<b>Total</b>	<b>53,622,000.00</b>	

### Notice / Call Accounts

Counterparty	Balance at 31/03/17 (£)	Notice period
Barclays 100 Day Notice	14,800,000.00	100 days
Barclays Current	92,211.15	Same day
Santander 95 Day Notice	15,000,000.00	95 days
<b>Total</b>	<b>29,892,211.15</b>	

### Short Dated Bond Funds

Counterparty	Balance at 31/03/17 (£)	Notice period
Federated Cash Plus Fund	2,057,478.72	2 days
Payden & Rygel Sterling Reserve Fund	12,424,349.55	2 days
Royal London Asset Mgmt Cash Plus Fund	5,000,204.53	2 days
<b>Total</b>	<b>19,482,032.80</b>	

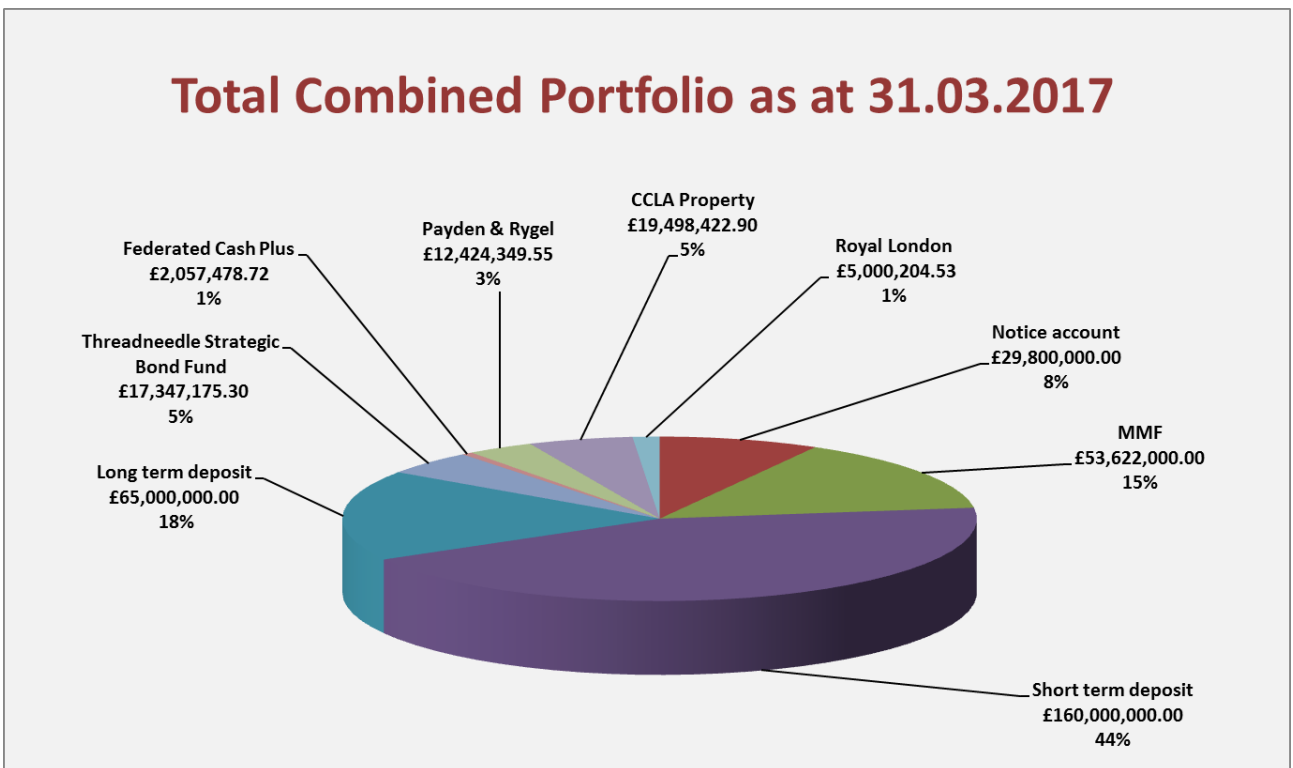
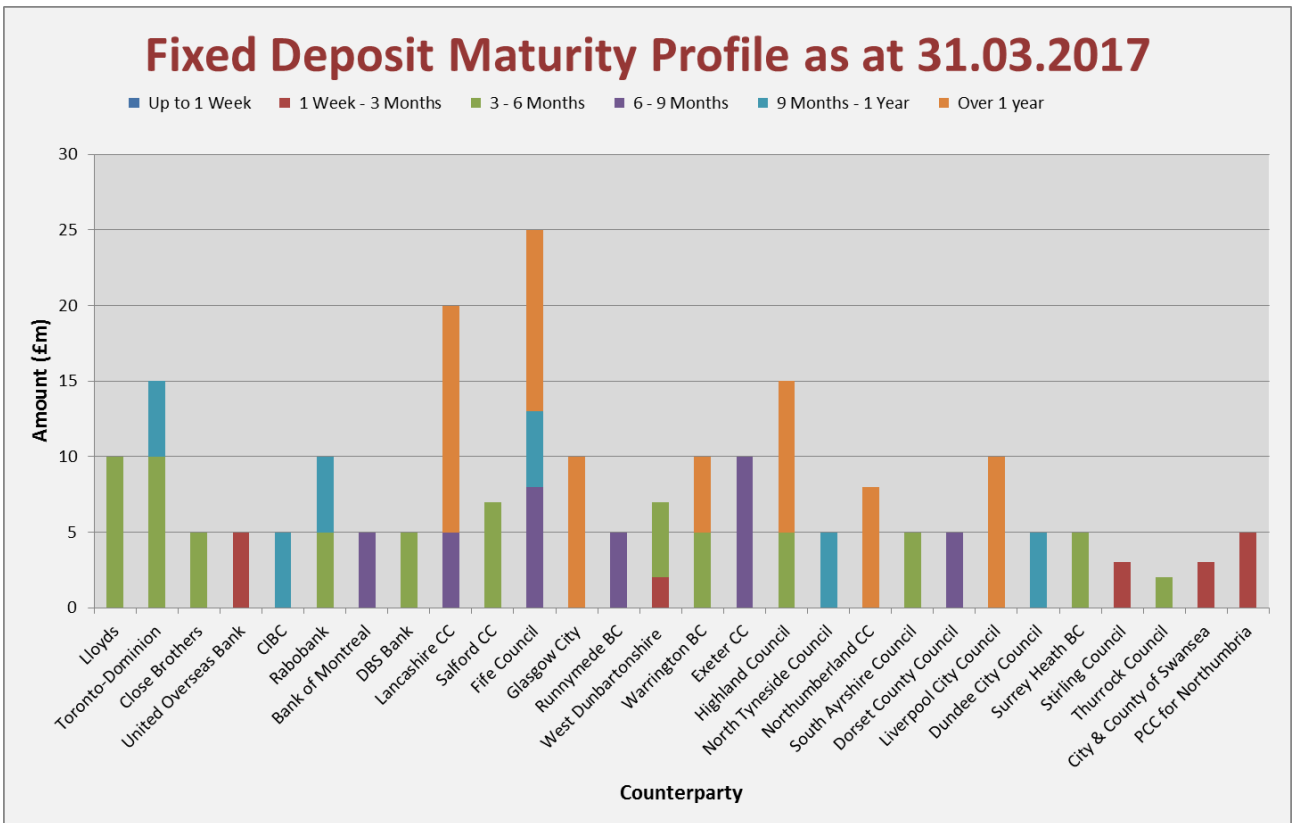
### Strategic Bond Funds

Counterparty	Balance at 31/03/17 (£)	Notice period
Threadneedle Strategic Bond Fund	17,347,175.30	4 days
<b>Total</b>	<b>17,347,175.30</b>	

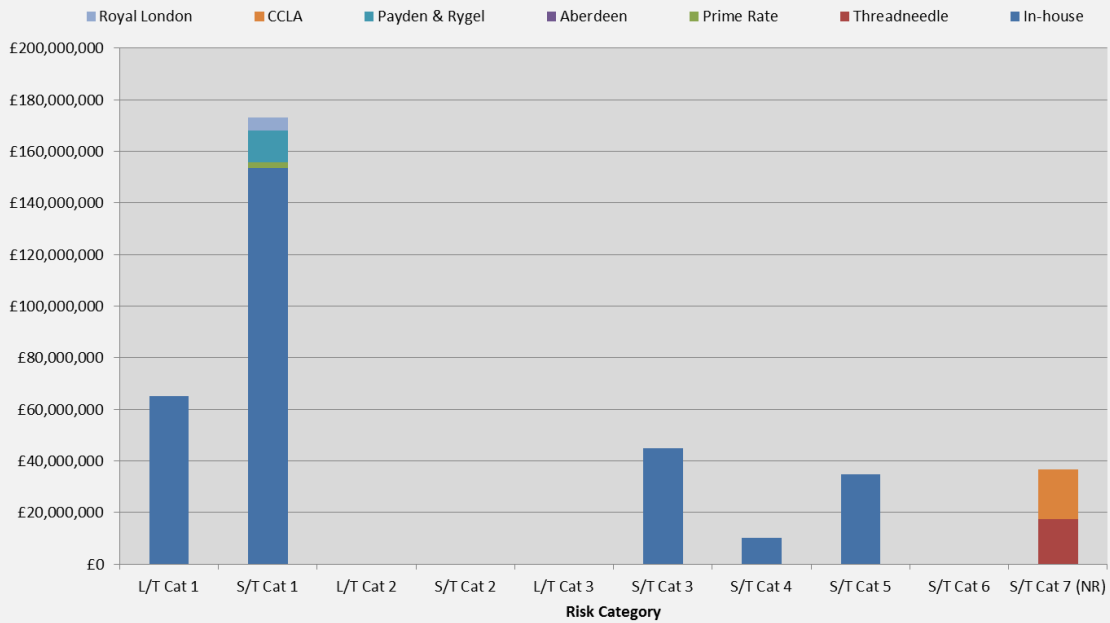
### Property Funds

Counterparty	Balance at 31/03/17 (£)	Notice period
CCLA Local Authorities Property Fund	19,498,422.90	Monthly
<b>Total</b>	<b>19,498,422.90</b>	

Risk profile of investment portfolio at 31/03/17



## Risk Profile - Total Combined Portfolio as at 31.03.2017



Risk Category	L/T rating	S/T rating
<b>1 (Including Local Authorities)</b>	AA+, AA	F1+
<b>2</b>	AA-	F1+
<b>3</b>	AA-	F1+
<b>4</b>	AA-	F1+
<b>5</b>	A+, A	F1
<b>6</b>	A	F1

Based on Fitch Ratings

**Prudential Indicators Outturn 31 March 2017****Authorised and Operational Limit for External Debt**

Authorised Limit for External Debt	£455,000,000
Operational Limit for External Debt	£450,000,000
Actual External Debt at 31 March 2017	£426,132,618

**Fixed Interest Rate Exposure**

Fixed Interest Net Borrowing limit	£350,000,000
Actual at 31 March 2017	£100,382,618

**Variable Interest Rate Exposure**

Variable Interest Net Borrowing limit	0.00
Actual at 31 March 2017	- £39,091,842.15

**Sums Invested over 364 days**

Total sums invested for more than 364 days maximum limit	£100,000,000
Actual sums invested for more than 364 days at 31 March 2017	£75,000,000

**Maturity Structure of Borrowing at 31/03/17**

	Limit %	Actual %
From 01/04/17		
Under 12 months	0 - 20	0.00
12 – 24 months	0 - 25	11.16
24 months – 5 years	0 - 35	11.21
5 years – 10 years	5 - 40	11.69
10 years +	50 - 95	65.95

The Prudential Indicators for maturity structure are set with reference to the start of the financial year. The actual % shown above relates to the maturity period remaining at 01/04/16 on loans still outstanding at 31/03/17.

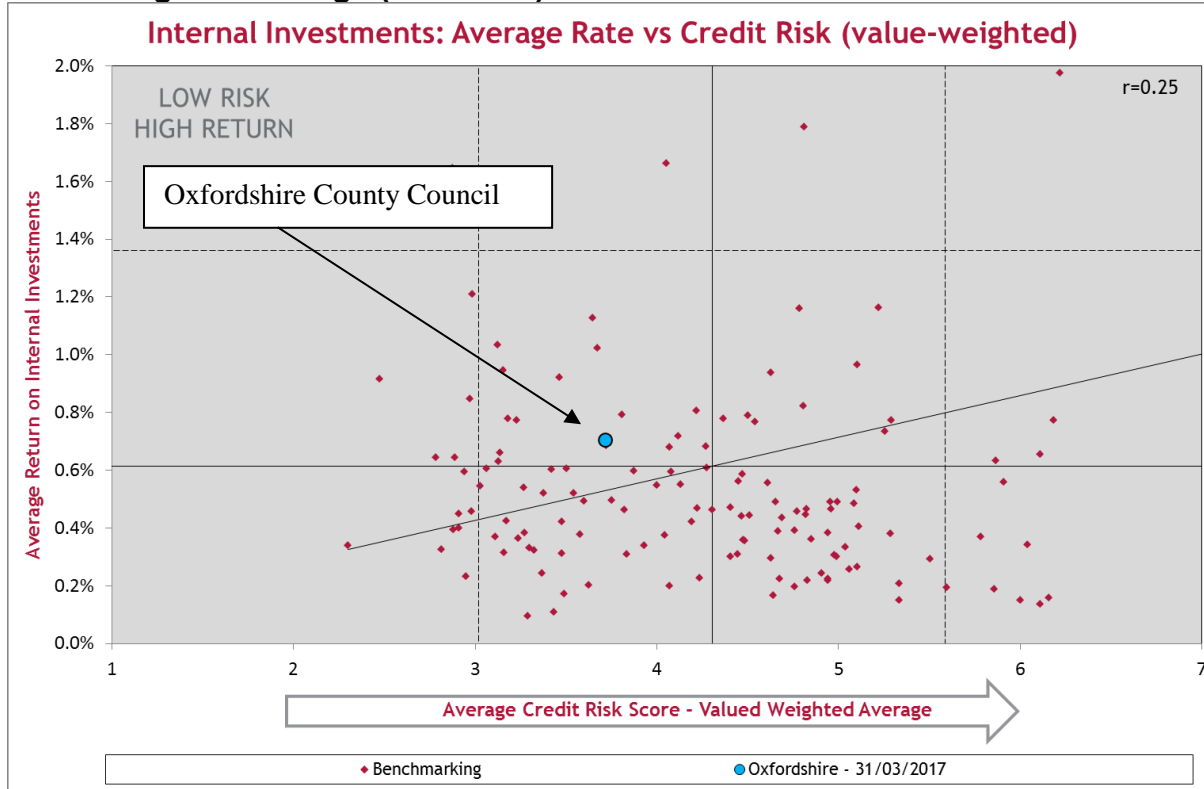
**Actual Maturity Structure of Borrowing at 01/04/17  
(LOBO's included at next option date)**

	Limit %	Actual %
From 01/04/17		
Under 12 months	0 - 20	11.16
12 – 24 months	0 - 25	7.52
24 months – 5 years	0 - 35	9.08
5 years to 10 years	5 – 40	15.57
10 years +	50 – 95	56.67



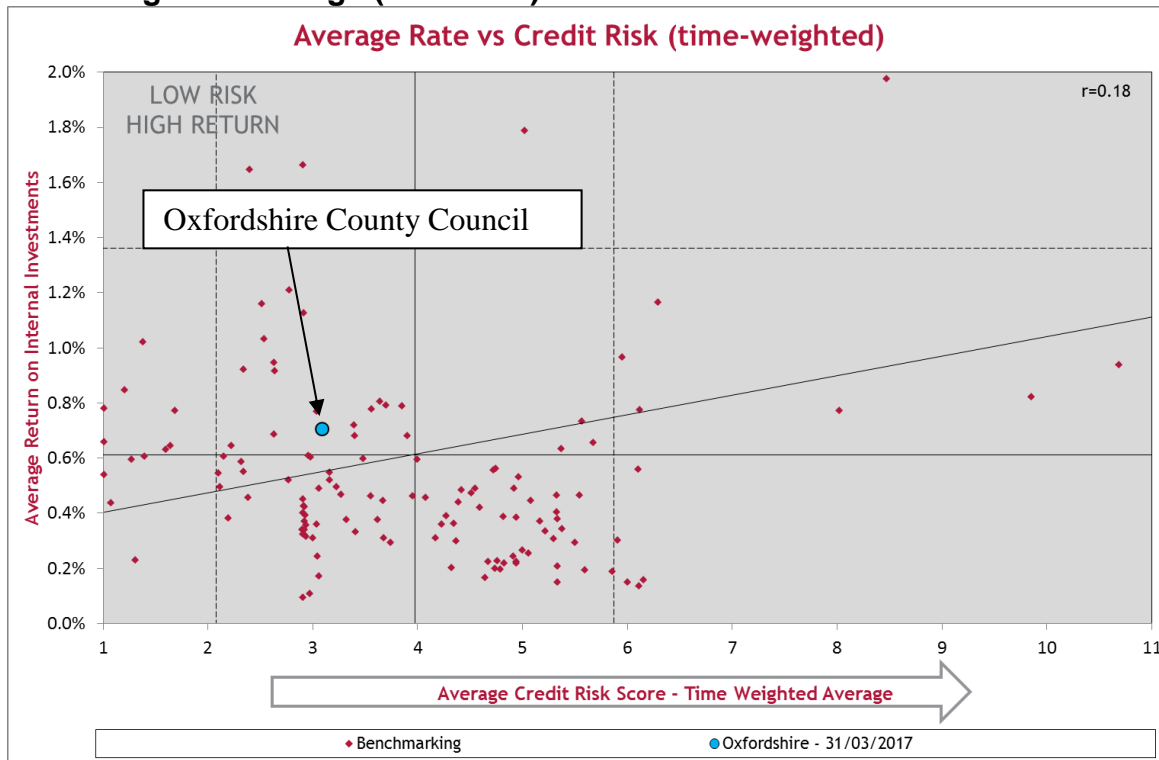
Value weighted average (all clients)

Annex 6



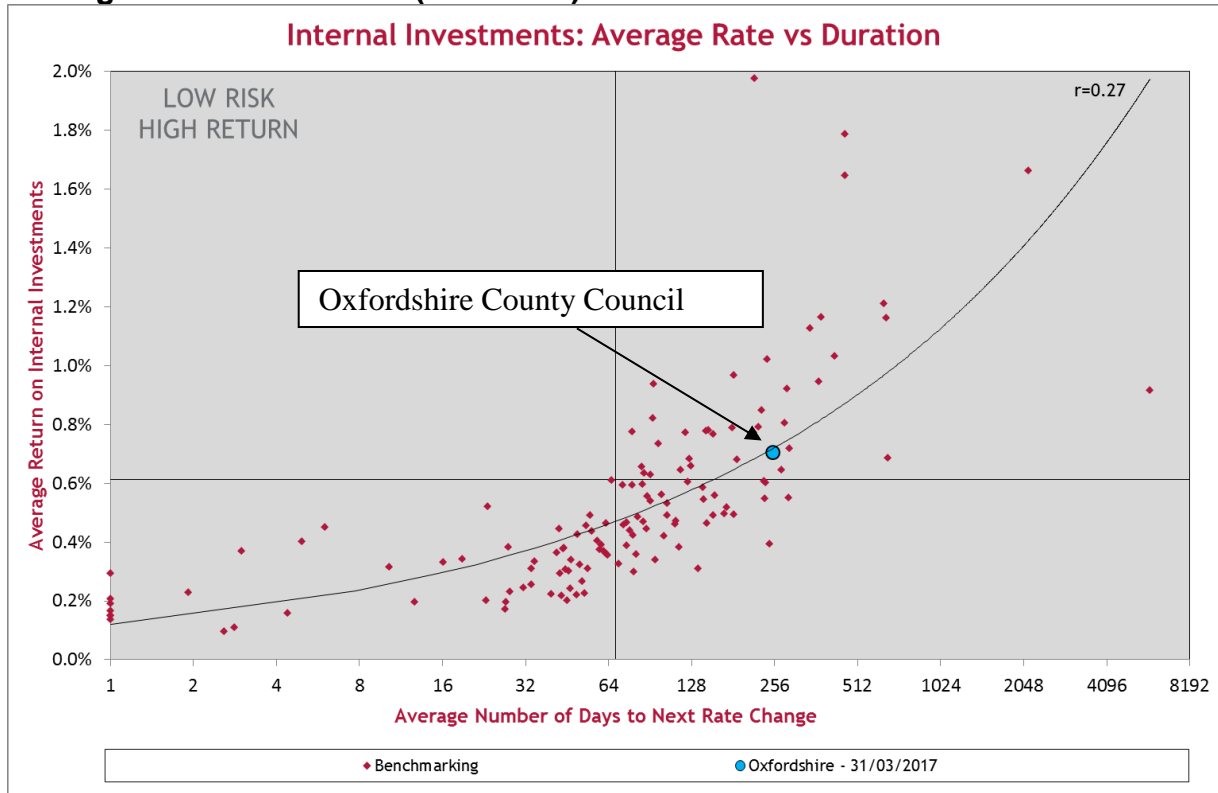
Oxfordshire County Council achieved a higher interest rate compared to the average achieved by all Arlingclose clients, whilst maintaining lower than average value weighted credit risk as at 31/03/2017.

Time weighted Average (all clients)



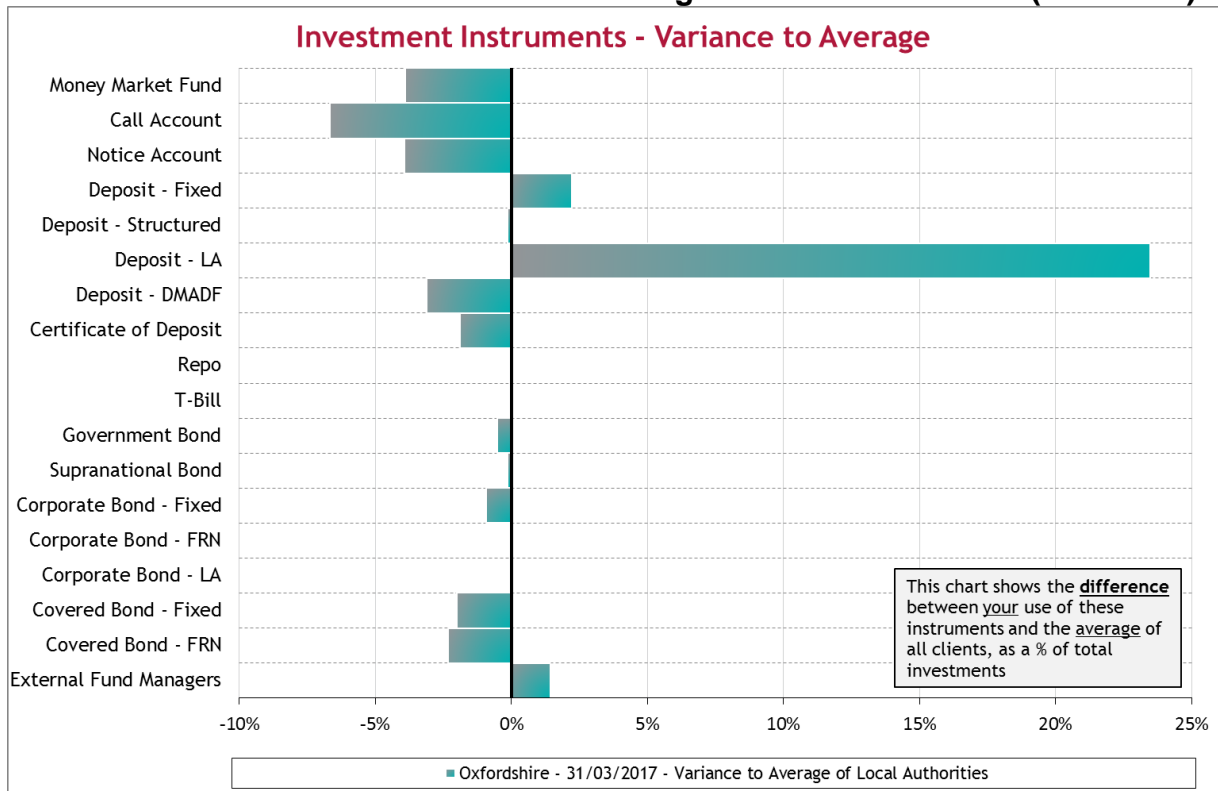
Oxfordshire County Council achieved a higher interest rate compared to the average achieved by all Arlingclose clients, whilst maintaining lower than average time weighted credit risk as at 31/03/2017.

**Average Rate vs. Duration (all clients)**



This graph shows that at 31/03/2017 Oxfordshire County Council achieved a higher than average return by placing deposits for longer than average duration.

**Investment Instruments – Variance to Average of Local Authorities (all clients)**



This graph shows that, at 31/3/2017, Oxfordshire County Council had notably higher than average allocations to external funds, fixed and local authority deposits when compared with other local authorities. Oxfordshire County Council also had notably lower exposure to money market funds, call accounts and certificates of deposit.