Division(s): N/A

CABINET – 18 SEPTEMBER 2018

TREASURY MANAGEMENT OUTTURN 2017/18

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 2017/18 and sets out the position as at 31 March 2018.

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 2017/18
Annex 2	Public Works Loan Board (PWLB) Maturing Debt
Annex 3	Lending List Changes
Annex 4	Investment portfolio 31/03/2018
Annex 5	Prudential Indicators Outturn
Annex 6	Benchmarking

Strategy 2017/18

4. The Treasury Management Strategy for 2017/18 was based on an average base rate forecast of 0.25%. The budget for interest receivable assumed that an average interest rate of 0.55% 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 25% 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.

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:** 2017-18 was characterised by the push-pull from expectations of tapering of Quantitative Easing (QE) and the potential for increased policy rates in the US and Europe and from geopolitical tensions, which also had an impact.

8. The UK economy showed signs of slowing with latest estimates showing GDP, helped by an improving global economy, grew by 1.8% in calendar 2017, the same level as in 2016. This was a far better outcome than the majority of forecasts following the EU Referendum in June 2016, but it also reflected the international growth momentum generated by the increasingly buoyant US economy and the re-emergence of the Eurozone economies.

9. The inflationary impact of rising import prices, a consequence of the fall in sterling associated with the EU referendum result, resulted in year-on-year CPI rising to 3.1% in November before falling back to 2.7% in February 2018. Consumers felt the squeeze as real average earnings growth, i.e. after inflation, turned negative before slowly recovering. The labour market showed resilience as the unemployment rate fell back to 4.3% in January 2018. The inherent weakness in UK business investment was not helped by political uncertainty following the surprise General Election in June and by the lack of clarity on Brexit, the UK and the EU only reaching an agreement in March 2018 on a transition which will now be span Q2 2019 to Q4 2020. The Withdrawal Treaty is yet to be ratified by the UK parliament and those of the other 27 EU member states and new international trading arrangements are yet to be negotiated and agreed.

10. The Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 0.25% in November 2017. It was significant in that it was the first rate hike in ten years, although in essence the MPC reversed its August 2016 cut following the referendum result. The February Inflation Report indicated the MPC was keen to return inflation to the 2% target over a more conventional (18-24 month) horizon with 'gradual' and 'limited' policy tightening. Although in March two MPC members voted to increase policy rates immediately and the MPC itself stopped short of committing itself to the timing of the next increase in rates, the minutes of the meeting suggested that an increase in May 2018 was highly likely.

11. In contrast, economic activity in the Eurozone gained momentum and although the European Central Bank removed reference to an 'easing bias' in its market communications and had yet to confirm its QE intention when asset purchases end in September 2018, the central bank appeared some way off normalising interest rates. The US economy grew steadily and, with its policy objectives of price stability and maximising employment remaining on track, the Federal Reserve Open Market Committee (FOMC) increased interest rates in December 2017 by 0.25% and again in March, raising the policy rate target range to 1.50% - 1.75%. The Fed is expected to deliver two more increases in 2018 and a further two in 2019. However, the imposition of tariffs on a broadening range of goods initiated by the US, which has led to retaliation by China, could escalate into a deep-rooted trade war having broader economic consequences including inflation rising rapidly, warranting more interest rate hikes.

12. **Financial markets**: The increase in Bank Rate resulted in higher money markets rates: 1-month, 3-month and 12-month LIBID rates averaged 0.32%, 0.39% and 0.69% and at 31st March 2018 were 0.43%, 0.72% and 1.12% respectively.

13. Gilt yields displayed significant volatility over the twelve-month period with the change in sentiment in the Bank of England's outlook for interest rates. The yield on the 5-year gilts which had fallen to 0.35% in mid-June rose to 1.65% by the end of March. 10-year gilt yields also rose from their lows of 0.93% in June to 1.65% by mid-February before falling back to 1.35% at year-end. 20-year gilt yields followed an even more erratic path with lows of 1.62% in June, and highs of 2.03% in February, only to plummet back down to 1.70% by the end of the financial year.

14. The FTSE 100 had a strong finish to calendar 2017, reaching yet another record high of 7688, before plummeting below 7000 at the beginning of 2018 in the global equity correction and sell-off.

15. **Credit background**: In the first quarter of the financial year, UK bank credit default swaps reached three-year lows on the announcement that the Funding for Lending Scheme, which gave banks access to cheaper funding, was being extended to 2018. For the rest of the year, CDS prices remained broadly flat.

16. The rules for UK banks' ring-fencing were finalised by the Prudential Regulation Authority and banks began the complex implementation process ahead of the statutory deadline of 1st January 2019. As there was some uncertainty surrounding which banking entities the Authority would will be dealing with once ring-fencing was implemented and what the balance sheets of the ring-fenced and non ring-fenced entities would look would actually look like, in May 2017 Arlingclose advised adjusting downwards the maturity limit for unsecured investments to a maximum of 6 months. The rating agencies had slightly varying views on the creditworthiness of the restructured entities.

17. Barclays was the first to complete its ring-fence restructure over the 2018 Easter weekend; wholesale deposits including local authority deposits will henceforth be accepted by Barclays Bank plc (branded Barclays International), which is the non ring-fenced bank.

18. The most significant credit rating change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities

19. Changes to credit ratings included Moody's downgrade of Standard Chartered Bank's long-term rating to A1 from Aa3 and the placing of UK banks' long-term ratings on review to reflect the impending ring-fencing of retail activity from investment banking (Barclays, HSBC and RBS were on review for downgrade; Lloyds Bank, Bank of Scotland and National Westminster Bank were placed on review for upgrade).

20. Standard & Poor's (S&P) revised upwards the outlook of various UK banks and building societies to positive or stable and simultaneously affirmed their long and short-term ratings, reflecting the institutions' resilience, progress in meeting regulatory capital requirements and being better positioned to deal with uncertainties and potential turbulence in the run-up to the UK's exit from the EU in March 2019. The agency upgraded Barclays Bank's long-term rating to A from A- after the bank announced its plans for its entities post ring-fencing.

Treasury Management Activity

Debt Financing

21. The Council's debt financing position for 2017/18 is shown in Annex 1.

22. The option to fund new or replacement borrowing requirements from internal balances, up to the value of 25% of the investment portfolio was included in the 2017/18 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.

23. No new borrowing was arranged during 2017/18 with either the Public Works Loan Board (PWLB) or through the money markets.

24. At 31 March 2018, the authority had 60 PWLB loans totalling £317.383m, 9 LOBO[1] loans totalling £45m and one money market loan totalling £5m. The average rate of interest paid on PWLB debt was 4.50% and the average cost of LOBO debt in 2017/18 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 4.40%.

25. 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

26. The Council repaid £18m of maturing PWLB loans during the year. The weighted average interest rate payable on the matured loans was 6.372%. The details are set out in Annex 2.

Investment Strategy

27. 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.

28. During 2017/18 the Council limited the exposure to banks by lending to local authorities. At 31 March 2018 the Council had £55m 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.

29. The weighted average maturity of all deposits at 31 March 2018, including money deposited in short-term notice accounts, was 224 days (compared with 266 days during 2016/17). This comprised £263m fixed deposits (including a Revolving Credit Facility arrangement of £10m) with a weighted average maturity of 246 days, £29.8m in notice accounts with a weighted average maturity of 97.5 days and £26.66m invested in money market funds and

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

call accounts with same day liquidity. The decrease in weighted average maturity was due to a combination of a reduction in the maximum limit for fixed deposits from £100m in 2016/17 to £85m in 2017/18 and continuing uncertainty throughout the year over the timing of a potential rise in the base rate.

30. The Council used fixed deposits, call accounts, notice accounts, money market funds and pooled funds to deposit its in-house cash surpluses during 2017/18.

The Council’s Lending List

31. 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 2017/18, in accordance with the approved credit rating criteria and additional temporary restrictions.

Investment Outturn

32. The average daily balance of temporary surplus cash invested in-house was £347m in 2017/18. The Council achieved an average in-house return for the year of 0.69%, producing gross interest receivable of £2.431m. 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.

33. Gross distributions from pooled funds totalling £0.988m were realised in year, bringing total investment income to £3.419m. This compares to budgeted investment income of £1.846m, giving a net overachievement of £1.573m. The overachievement in income received was due to a combination of higher than forecast average cash balances, an increase in interest rates and large distributions and realised gains from pooled funds. The 2017/18 accounts also recognise an increase in the value of available for sale assets of £1.315m.

34. As at 31 March 2018 the total value of pooled fund investments was £57.686m. This included an overall gain of £3.620m 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.

35. During 2017/18 the average three month LIBID rate was 0.29%. The Council’s average in-house return of 0.69% exceeded this benchmark by 0.30%. The average in-house return was 0.14% higher than the rate of interest of 0.55% assumed in the budget. The budgeted forecast was for UK Base Rate to remain at 0.25% for the duration of the financial year, however the Monetary Policy Committee increased Base Rate to 0.50% in November 2017.

36. The Council operates a number of instant access call accounts and money market funds to deposit short-term cash surpluses. During 2017/18 the average balance held on instant access was £76.608m.

37. At 31 March 2018, the Council's investment portfolio of £377.141m comprised £253m of fixed term deposits, £10m revolving credit facility, £29.80m in notice accounts, £26.655m at short term notice in money market funds and call accounts and £57.686m in pooled funds with a variable net asset value (VNAV). Annex 4 provides an analysis of the investment portfolio at 31 March 2017.

38. 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

39. The Treasury Management Strategy Team did not make any changes to the balances invested in external funds.

40. During 2017/18, £0.044m of annual management charge rebate relating to the Threadneedle Strategic Bond Fund was automatically re-invested in the fund.

Prudential Indicators for Treasury Management

41. 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

42. The County Council is a member of the CIPFA Treasury and Debt Management Benchmarking Club and completed returns for the financial year 2017/18. The results of this exercise are not yet available.

43. 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 2018 are included in Annex 6.

44. The benchmarking results show that the Council was achieving higher than average interest on deposits at 31 March 2018, when compared with a group of 135 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.

45. Oxfordshire had a higher than average allocation to 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 the Debt Management Office's deposit account.

Financial and Legal Implications

46. This report is mostly concerned with finance and the implications are set out in the main body of the report.

47. 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 2017/18 was £16.9m which is £0.2m under the budget in the Medium Term Financial Plan.

RECOMMENDATION

48. Cabinet is **RECOMMENDED** to note the report, and to **RECOMMEND** Council to note the Council's Treasury Management Activity in 2017/18.

LORNA BAXTER
Director of Finance

Annexes:
Annex 1 Debt Financing 2017/18
Annex 2 Public Works Loan Board (PWLB) Maturing Debt
Annex 3 Lending List Changes
Annex 4 Investment portfolio 31/03/2018
Annex 5 Prudential Indicators Outturn
Annex 6 Benchmarking

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July 2017

Annex 1

OXFORDSHIRE COUNTY COUNCIL DEBT FINANCING 2017/18

Debt Profile		£m
1. PWLB	87%	335.38
2. Money Market LOBO loans	12%	45.00
3. Money Market Fixed Rate loans	1%	5.00
4. Sub-total External Debt		385.38
5. Internal Balances	0 %	-35.13
6. Actual Debt at 31 March 2017	**100%**	**350.25**
7. Government Supported Borrowing		0.00
8. Unsupported Borrowing		3.14
9. Borrowing in Advance		0.00
10. Minimum Revenue Provision		-8.12
11. Actual Debt at 31 March 2018		**345.27**
Maturing Debt		
12. PWLB loans maturing during the year		18.00
13. PWLB loans repaid prematurely in the course of debt restructuring		0.00
14. Total Maturing Debt		**18.00**
New External Borrowing		
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		0.00
19. Total New External Borrowing		**0.00**
Debt Profile Year End		
20. PWLB	87%	317.38
21. Money Market LOBO loans	12%	45.00
22. Money Market Fixed Rate loans	1%	5.00
23. Sub-total External Debt		367.38
24. Internal Balances	0 %	-22.11
25. Actual Debt at 31 March 2018	**100%**	**345.27**

Line

1-6. This is a breakdown of the Council's debt at the beginning of the financial year (1 April 2017). 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 2017/18 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 2018, 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 2017/18.

16. New PWLB loans to replace debt repaid early.

17. The Money Market LOBO borrowing undertaken by the Council during 2017/18.

18. The Money Market Fixed Rate borrowing undertaken by the Council during 2017/18.

19. The total external borrowing undertaken.

20-25. The Council's debt profile at the end of the year.

Annex 2

Long-term debt Maturing 2017/18

Public Works Loan Board: Loans Maturing in 2017/18

Date	Amount £m	Rate %	Repayment Type
02/03/2018	5.000	8.125	Maturity
20/09/2017	5.000	7.875	Maturity
31/10/2017	6.000	5.000	Maturity
13/07/2017	0.500	2.350	EIP
13/01/2018	0.500	2.350	EIP
31/07/2017	0.500	2.350	EIP
31/01/2018	0.500	2.350	EIP
Total	**18.000**		

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

Annex 3

Lending List Changes during 2017/18

Lending limits & maturity limits changed from 1 April 2017

	01/04/2017		31/03/2018	
	Lending Limit	**Maximum Maturity**	**Lending Limit**	**Maximum Maturity**
Development Bank of Singapore (DBS)	£25m	6 months	£25m	13 months
United Overseas Bank	£25m	6 months	£25m	13 months
Oversea Chinese Banking Corp	£25m	6 months	£25m	13months
Close Brothers Ltd	£10m	6 months	£15m	6 months
Australia and New Zealand Banking Group	n/a	n/a	£25m	13 months
Nordea Bank Finland plc	n/a	n/a	£25m	13 months

Counterparties suspended from 1 April 2017

	Date Suspended
Northamptonshire County Council	05/02/2018

Annex 4

OXFORDSHIRE COUNTY COUNCIL INVESTMENT PORTFOLIO 31/03/2018

Fixed term deposits held at 31/03/2018

Counterparty	Principal Deposited (£)	Maturity Date
Lancashire County Council	£5,000,000	4-May-18
Fife Council	£10,000,000	26-Jun-18
Warrington Borough Council	£5,000,000	20-Jul-18
Glasgow City Council	£5,000,000	24-Jul-18
Glasgow City Council	£5,000,000	30-Jul-18
Fife Council	£2,000,000	7-Sep-18
Lancashire County Council	£5,000,000	15-Oct-18
Lancashire County Council	£5,000,000	15-Oct-18
The Highland Council	£10,000,000	1-Feb-19
Walsall Council	£5,000,000	13-Dec-19
Northumberland County Council	£8,000,000	20-Dec-19
Liverpool City Council	£5,000,000	10-Jan-20
Liverpool City Council	£5,000,000	20-Jan-20
London Borough of Croydon Council	£5,000,000	3-Jul-20
Blackburn with Darwen Borough Council	£5,000,000	28-Sep-18
West Dunbartonshire Council	£5,000,000	1-Aug-18
Doncaster Metropolitan Borough Council	£5,000,000	10-Oct-19
Rabobank Group	£5,000,000	14-Sep-18
Lancashire County Council	£5,000,000	21-Sep-20
DBS Bank (Development Bank of Singapore)	£5,000,000	3-Apr-18
Northamptonshire County Council	£5,000,000	5-Jul-18
DBS Bank (Development Bank of Singapore)	£5,000,000	4-Apr-18
Rotherham Metropolitan Borough Council	£5,000,000	3-Apr-18
Medway Council	£5,000,000	12-Oct-18
Cherwell District Council	£5,000,000	17-Oct-18
West Dunbartonshire Council	£5,000,000	18-Oct-18
Doncaster Metropolitan Borough Council	£5,000,000	18-Oct-18
Rugby Borough Council	£2,000,000	15-Jan-20
Blackburn with Darwen Borough Council	£5,000,000	25-Oct-18
Rabobank Group	£5,000,000	30-Oct-18
United Overseas Bank	£5,000,000	1-Nov-18
Blackburn with Darwen Borough Council	£5,000,000	9-Nov-18
Monmouthshire County Council	£5,000,000	13-Nov-20
Australia and New Zealand Banking Group	£5,000,000	16-May-18
Australia and New Zealand Banking Group	£5,000,000	24-May-18
Barnsley Metropolitan Borough Council	£5,000,000	27-Nov-20
South Ayrshire Council	£5,000,000	15-Jan-20
Northamptonshire County Council	£5,000,000	7-Sep-18
The Highland Council	£5,000,000	24-Apr-18
Eastleigh Borough Council	£5,000,000	27-Apr-18
Flintshire County Council	£6,000,000	18-May-18
Kingston Upon Hull City Council	£5,000,000	25-May-18

Rhondda Cynon Taf CBC	£5,000,000	22-Aug-18
Surrey County Council	£5,000,000	29-Jun-18
Babergh District Council	£5,000,000	15-Jun-18
Medway Council	£5,000,000	16-Apr-18
Birmingham City Council	£5,000,000	30-Apr-18
Plymouth City Council	£5,000,000	23-Apr-18
London Borough of Havering Council	£5,000,000	3-Apr-18
Network Homes – Revolving Credit Facility	£10,000,000	23-Jul-18
Total	**£263,000,000.00**	

Money Market Funds

Counterparty	Balance at 31/03/18 (£)	Notice period
Standard Life Sterling Liquidity Fund	25,000,000.00	Same day
Federated Sterling Liquidity Funds	1,655,000.00	Same day
Total	**26,655,000.00**	

Notice / Call Accounts

Counterparty	Balance at 31/03/18 (£)	Notice period
Barclays 100 Day Notice	14,800,000.00	100 days
Barclays Current	172,324.18	Same day
Santander 95 Day Notice	15,000,000.00	95 days
Total	**29,972,324.18**	

Short Dated Bond Funds

Counterparty	Balance at 31/03/18 (£)	Notice period
Federated Cash Plus Fund	2,067,090.35	2 days
Payden & Rygel Sterling Reserve Fund	12,465,581.30	2 days
Royal London Asset Mgmt Cash Plus Fund	4,997,505.75	2 days
Total	**19,530,177.40**	

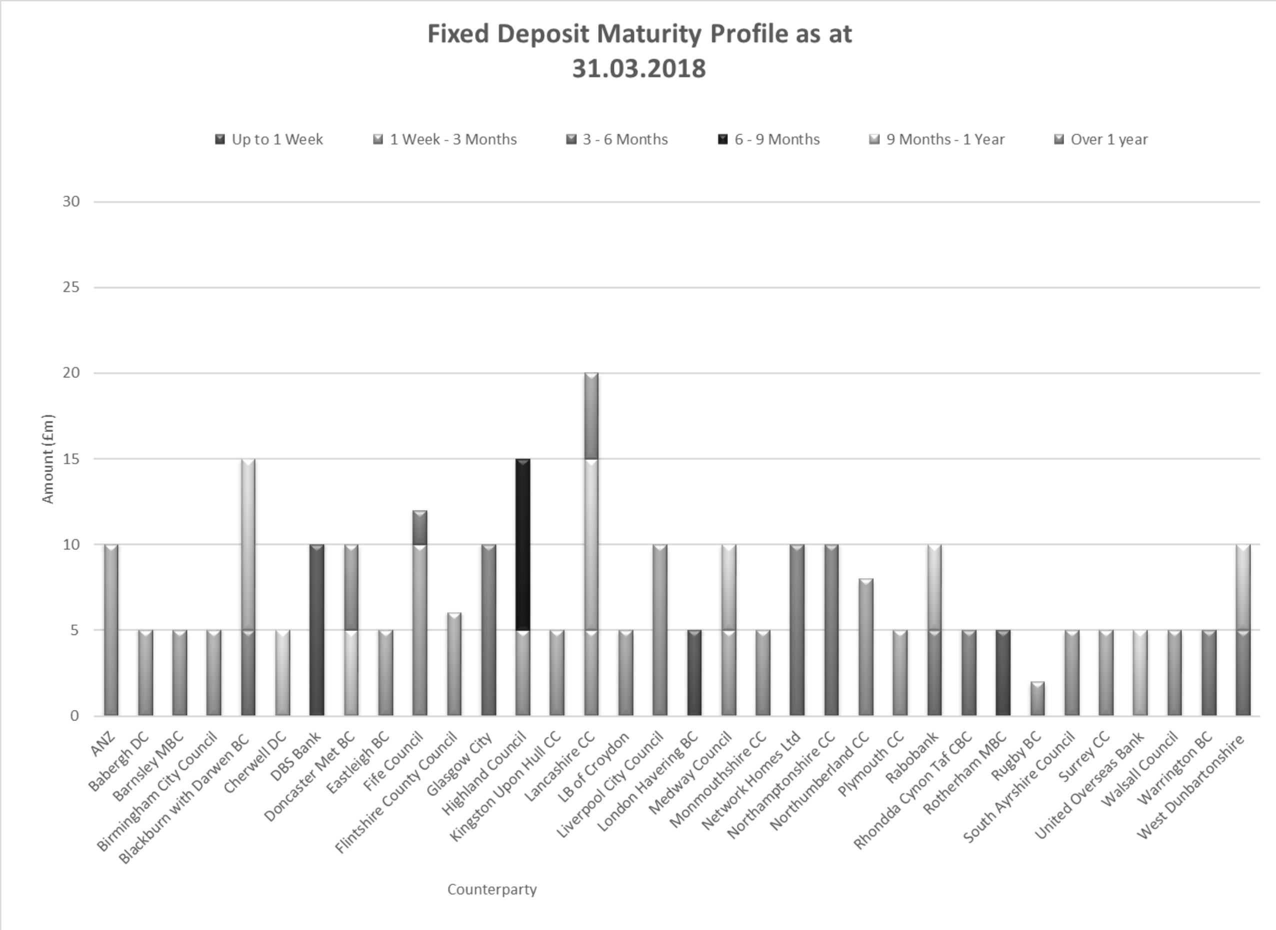
Strategic Bond Funds

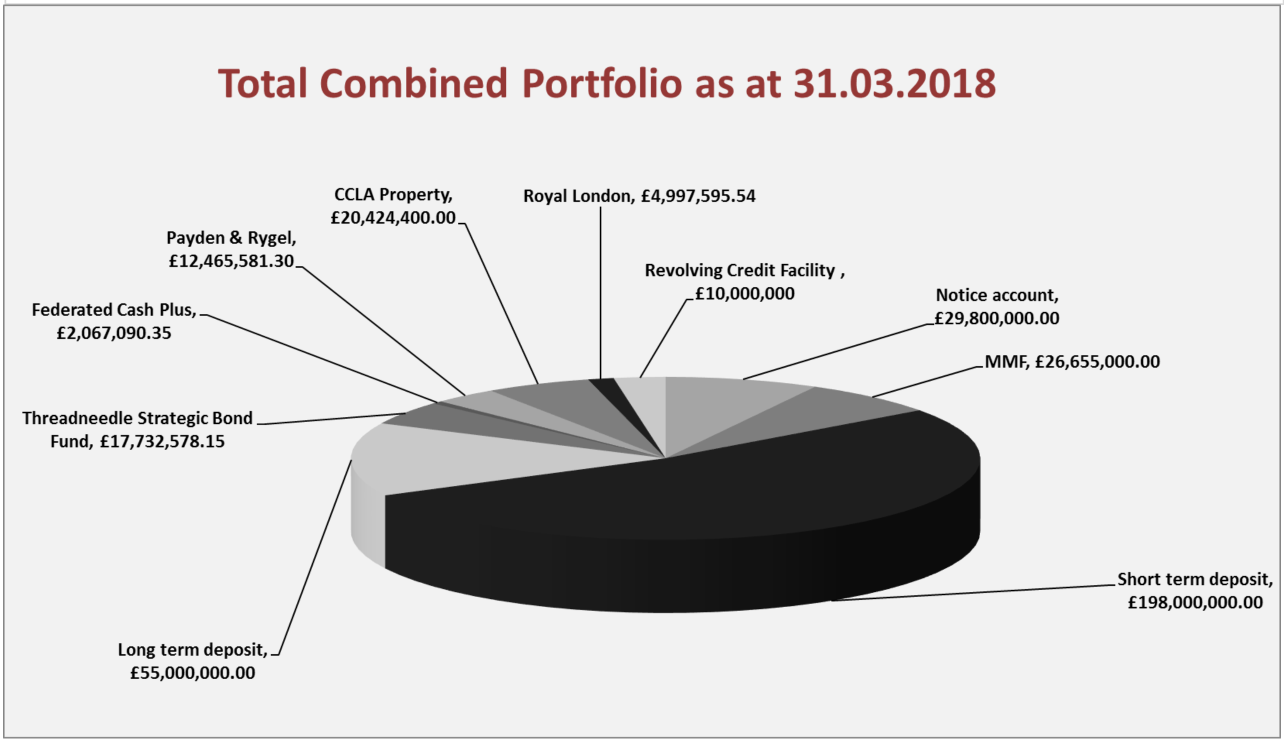
Counterparty	Balance at 31/03/18 (£)	Notice period
Threadneedle Strategic Bond Fund	17,732,578.15	4 days
Total	**17,732,578.15**	

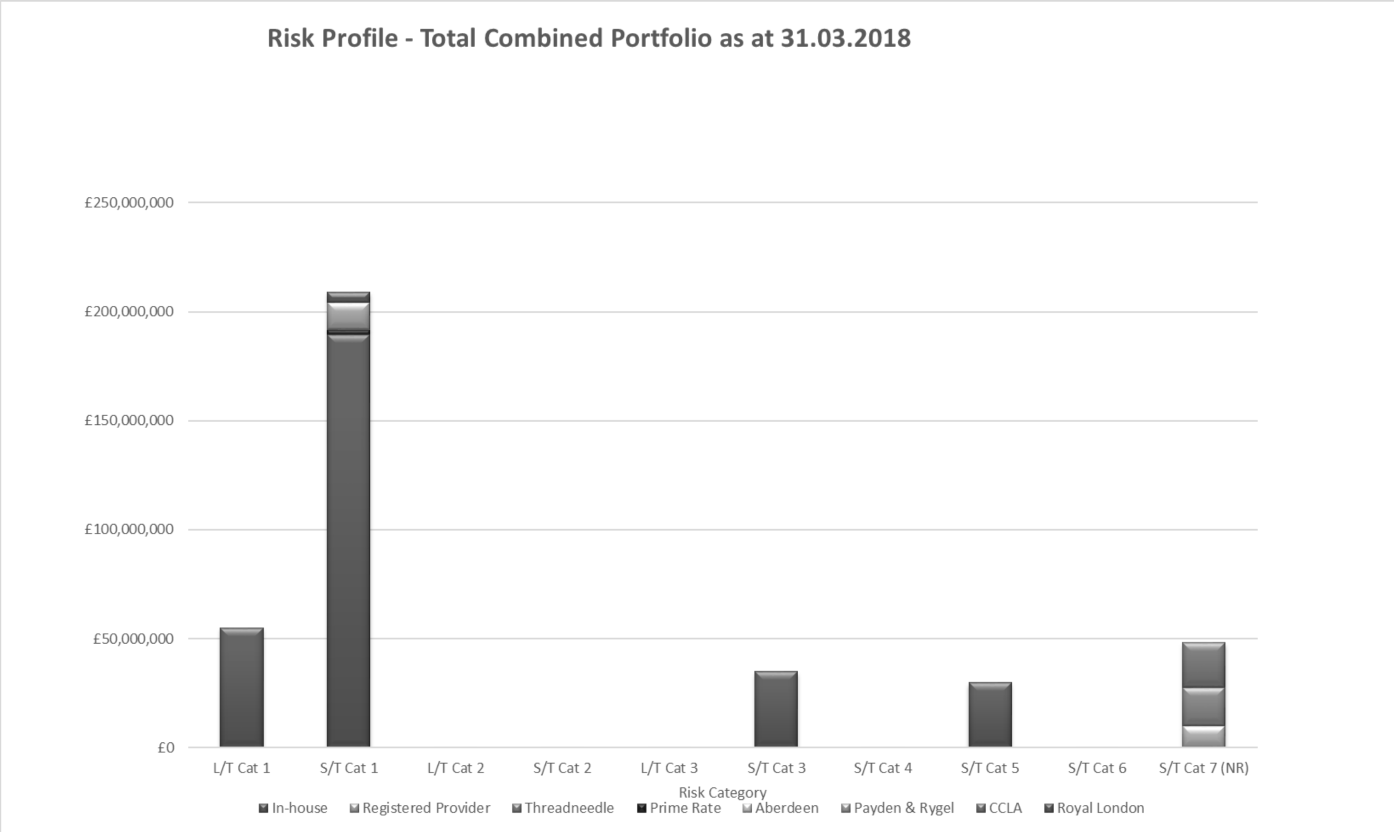
Property Funds

Counterparty	Balance at 31/03/18 (£)	Notice period
CCLA Local Authorities Property Fund	20,424,400.00	Monthly
Total	**20,424,400.00**	

Risk profile of investment portfolio at 31/03/18







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

Based on Fitch Ratings

Annex 5

Prudential Indicators Outturn 31 March 2018

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	£406,386,000
Fixed Interest Rate Exposure	
Fixed Interest Net Borrowing limit	£350,000,000
Actual at 31 March 2017	£105,382,618
Variable Interest Rate Exposure	
Variable Interest Net Borrowing limit	0
Actual at 31 March 2017	- £-236,659,570
Sums Invested over 364 days	
Total sums invested for more than 364 days maximum limit	£85,000,000
Actual sums invested for more than 364 days at 31 March 2017	£55,000,000

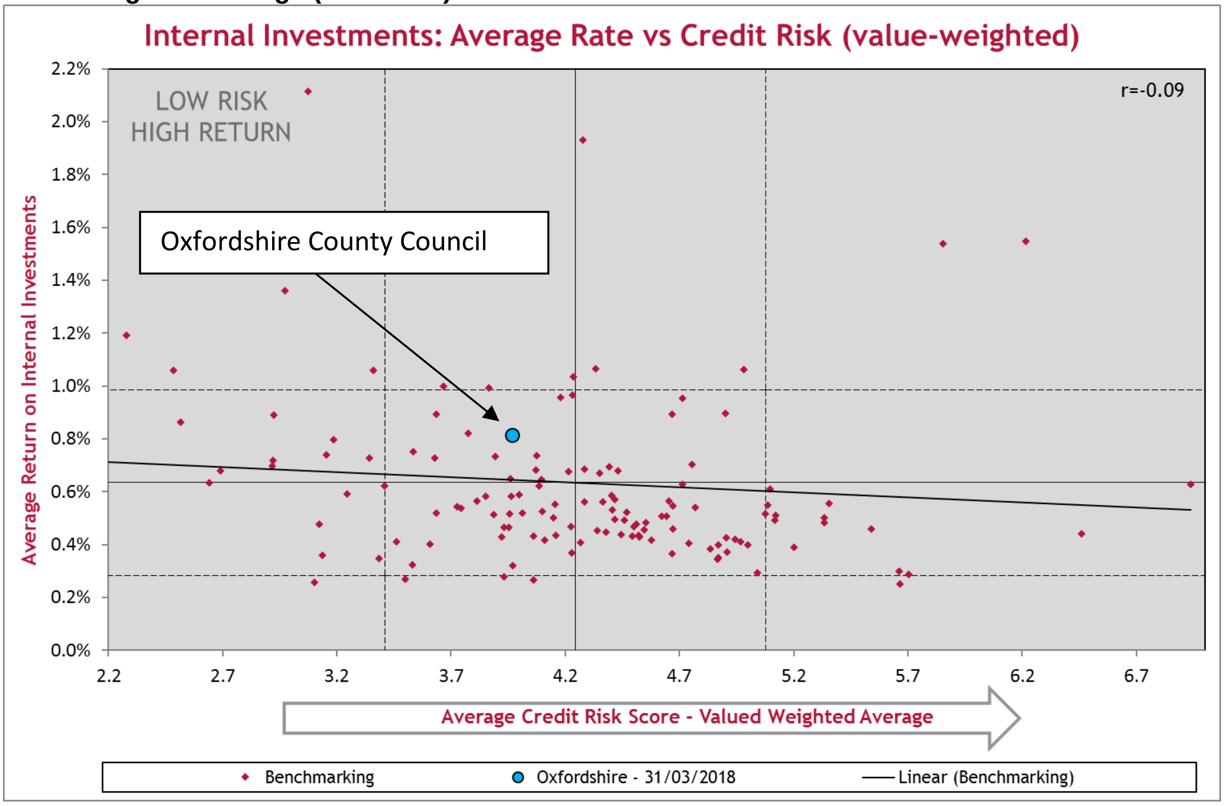
Maturity Structure of Borrowing at 31/03/18

	Limit %	**Actual %**
From 01/04/17		
Under 12 months	0 - 20	0.00
12 – 24 months	0 - 25	8.42
24 months – 5 years	0 - 35	13.07
5 years – 10 years	5 - 40	16.84
10 years +	50 - 95	61.67

The Prudential Indictors 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 01/04/17 on loans still outstanding at 31/03/18.

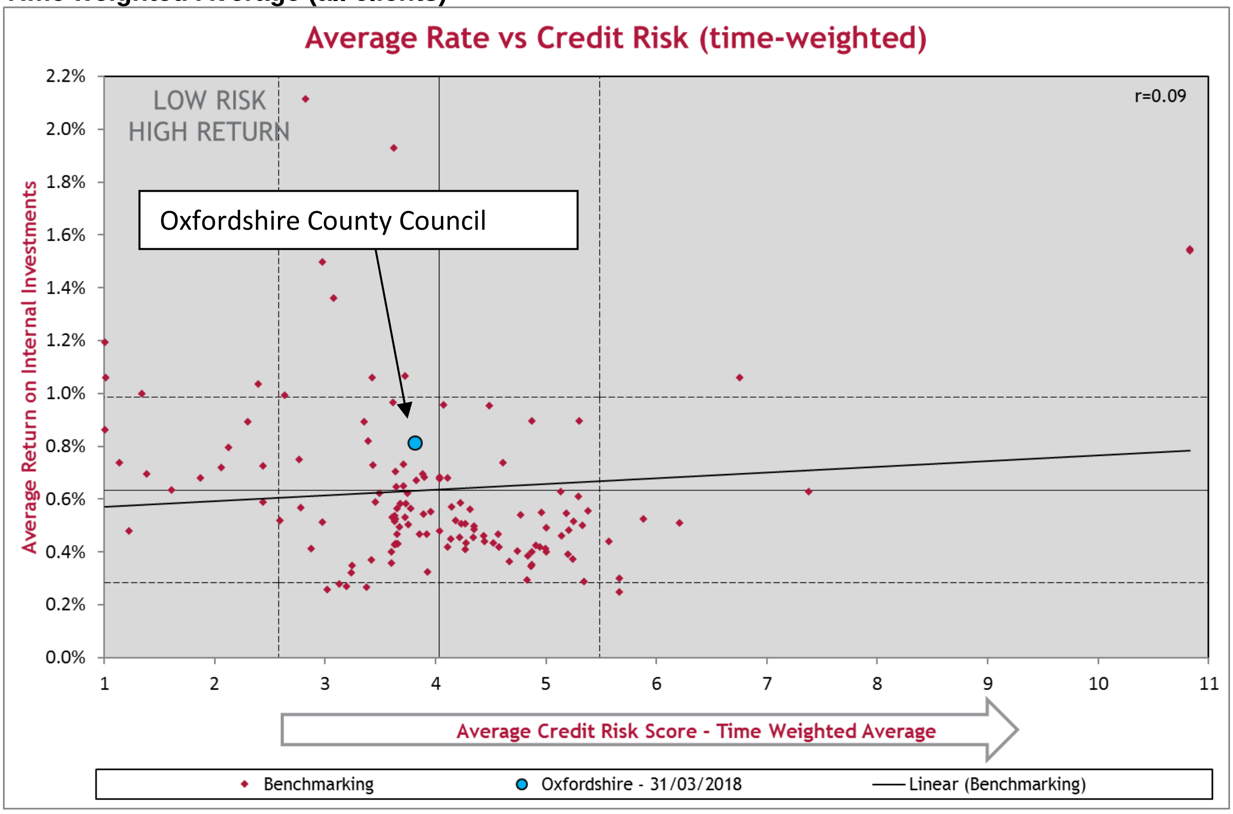
Annex 6

Value weighted average (all clients)



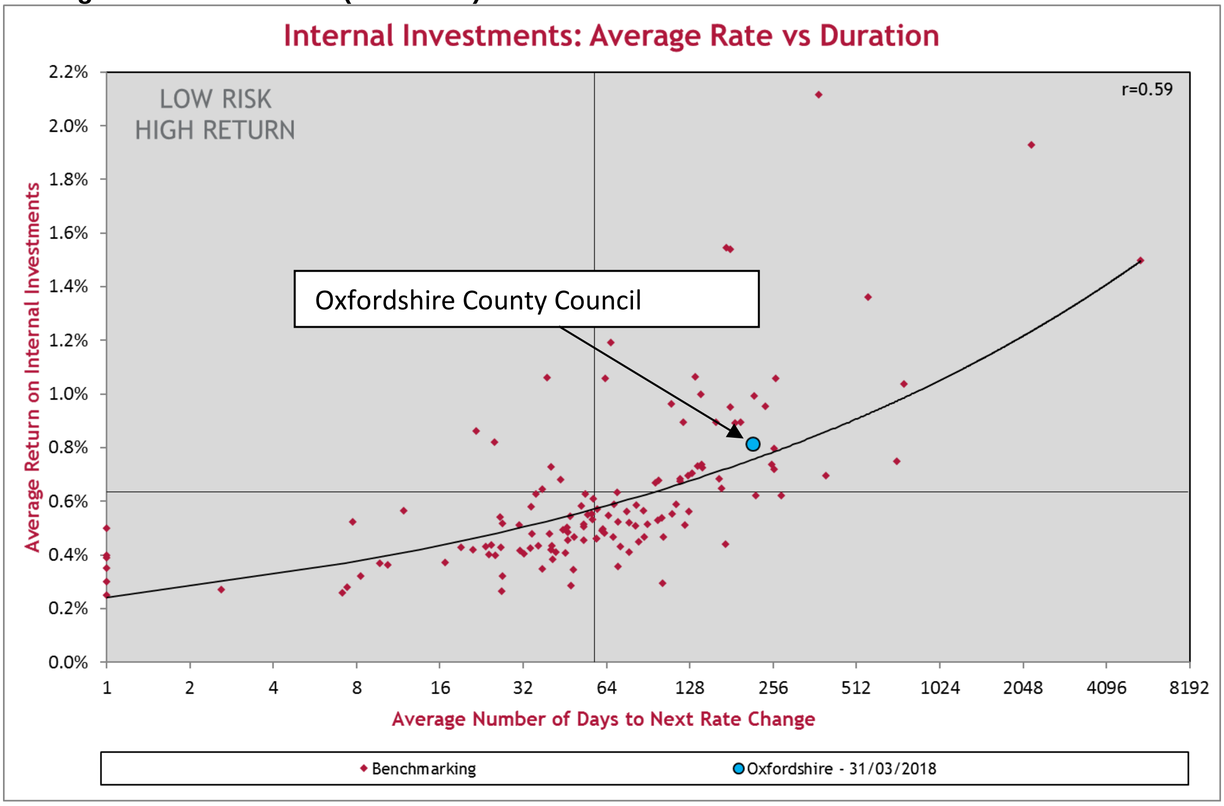
Oxfordshire County Council achieved a higher interest rate compared to the average achieved by all Arlingclose clients, whilst maintaining lower than average value weighted credit risk as at 31/03/2018.

Time weighted Average (all clients)



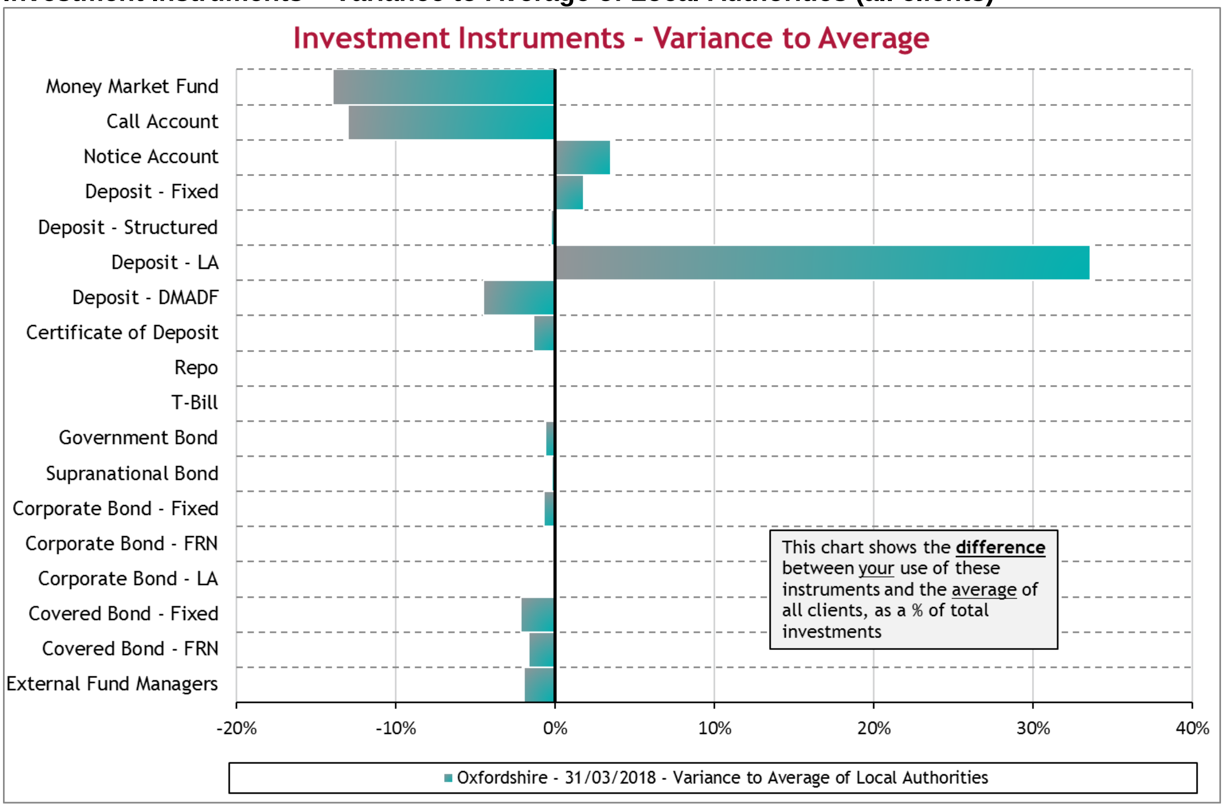
Oxfordshire County Council achieved a higher interest rate compared to the average achieved by all Arlingclose clients, whilst maintaining lower than average time weighted credit risk as at 31/03/2018.

Average Rate vs. Duration (all clients)



This graph shows that at 31/03/2018 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 local authority deposits when compared with other local authorities. Oxfordshire County Council also had notably lower exposure to money market funds, call accounts and Debt Management Office deposits.