

Wiltshire Council

Cabinet

19 November 2019

**Subject: Report on Treasury Management Strategy 2019/2020
Half Year ended 30 September 2019**

**Cabinet member: Cllr Simon Jacobs Cabinet Member for Finance and
Procurement**

Key Decision: Non Key

Executive Summary

The Council adopted a Treasury Management Strategy and an Annual Investment Strategy for 2019/2020 at its meeting on 26 February 2019.

In addition to an Annual Report, the Treasury Management Strategy requires a mid-year report reviewing the Treasury Management activities for the current year so far. This report covers the period from 1 April 2019 to 30 September 2019.

The Council has not taken out any new external borrowing (loans) during 2019/2020.

Against budget, there is a projected net underspend in respect of interest receivable/payable of £0.428 million.

The Council has not breached any of its performance indicators for the half year 1 April 2019 to 30 September 2019.

Proposals

Cabinet is asked to note:

- a) that the contents of this report are in line with the Treasury Management Strategy 2019/2020.
- b) the performance of the Council's investments and borrowings against the parameters set out in the approved Treasury Management Strategy for 2019/2020.

Cabinet is asked to approve:

- c) a recommendation to Full Council to approve revised counter party limits of:
 - £10.000 million with HSBC in respect of fixed term investments
 - £10.000 million with HSBC in respect of balances held on an overnight basis

Reasons for Proposals

To give members an opportunity to consider the performance of the Council in the period to 30 September 2019 against the parameters set out in the approved Treasury Management Strategy for 2019/2020.

To improve the operational framework within which officers can place both overnight and external investments.

Alistair Cunningham OBE
Executive Director Growth, Investment & Place

**Subject: Report on Treasury Management Strategy 2019/2020
Half Year ended 30 September 2019**

**Cabinet member: Cllr Simon Jacobs Cabinet Member for Finance and
Procurement**

Key Decision: Non Key

PURPOSE OF REPORT

1. The Council adopted a Treasury Management Strategy for 2019/2020 at its meeting on 26 February 2019, incorporating Prudential Indicators, Treasury Management Indicators and an Annual Investment Strategy, in accordance with the Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
2. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly. This report, therefore, ensures Wiltshire Council is implementing best practice in accordance with the Code.

Economic Background and Interest Rate Forecast

3. The first half of 2019/2020 has seen UK economic growth fall as Brexit uncertainty took a toll. In its August inflation report the Bank of England was notably downbeat about the outlook for both the UK and major world economies. This mirrored investor confidence around the world which is now expecting a significant downturn or possible even a recession in some developed economies. It was therefore no surprise that the Monetary Policy Committee (MPC) have left bank rate unchanged at 0.75% throughout 2019 so far, and is expected to hold off on any change until there is some clarity on what is going to happen over Brexit.
4. The Council's treasury advisor, Link Asset Services, has provided the following forecast,

	2019/2020		2020/2021				2021/2022			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bank Rate	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
25yr PWLB Rate	3.30	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00
50yr PWLB Rate	3.20	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90

5. Link Asset Services report that the above rates are based on the assumption that there is an agreed deal on Brexit. If there were a no deal Brexit, then it is likely that there will be a cut or cuts in Bank Rate to help support economic growth.
6. Given the current level of significant uncertainties, forecasts may need to be materially reassessed in light of the events over the next few weeks or months.

Treasury Management Strategy Statement and Annual Investment Strategy 2019/2020

7. The Treasury Management Strategy Statement (TMSS) 2019/2020, which includes the Annual Investment Strategy, was approved by Full Council on 26 February 2019.
8. Officers can confirm that the approved limits with the Annual Investment Strategy were not breached during the half year ended 30 September 2019.
9. In the light of operational requirements, it is proposed that a separate limit is approved to distinguish between potential fixed term investments and operational balances held with the Council's bank (HSBC). Currently, an overall limit of £10.000 million is in place for all balances held by HSBC. However, this restricts the opportunity to place funds with HSBC for fixed term investments as this limit is regularly utilised, as operationally there is a requirement to hold overnight balances (of up to £10.000 million) for the purposes of liquidity.
10. It is therefore proposed that the following revised limits are approved:
 - £10.000 million with HSBC in respect of fixed term investments
 - £10.000 million with HSBC in respect of balances held on an overnight basis

The Council's Capital Position (Prudential Indicators)

11. This part of the report is structured to update
 - The Council's capital expenditure plans
 - How these plans are being financed
 - The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow
 - Compliance with the limits in place for borrowing activity

Prudential Indicators for Capital Expenditure

12. The following table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed by Full Council on 26 February 2019.

Capital Expenditure	2019/2020 Original Budget £m	2019/2020 Revised Budget £m	Current Position £m
General Fund	136.991	135.991	39.212
Housing Revenue Account (HRA)	15.944	14.860	4.637
Commercial Activities/Non- financial investments *	20.000	7.845	0.000
Total	172.935	158.696	43.849

* Commercial activities/non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc.

Changes to the Financing of the Capital Programme

13. The following table draws together the main strategy elements of the capital plans (above) highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2019/2020 Original Budget £m	2019/2020 Revised Budget £m
Total Capital Expenditure	172.935	158.696
Financed by:		
Capital Receipts	9.567	9.692
Capital Grants	71.628	75.056
Capital Reserves	0.000	0.000
Revenue	0.000	0.000
HRA	9.550	14.858
Total Financing	90.745	99.606
Borrowing Requirement	82.190	59.090

Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

14. The following table shows the CFR, which is the underlying need to borrow for a capital purpose. It also shows the expected debt position over the period which is termed the Operational Boundary.

	2019/2020 Original Budget £m	2019/2020 Revised Budget £m
Prudential Indicator – Capital Financing Requirement		
CFR – General Fund	466.056	446.838
CFR – HRA	123.122	123.122
Total CFR	589.178	569.960
Prudential Indicator – Operational Boundary for External Debt		
Borrowing	612.073	612.073
Other Long Term Liabilities*	0.200	0.200
Total Debt	612.273	612.273

* On balance sheet PFI schemes and finance leases

Limits to Borrowing Activity

15. The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowing less investments) will only be for a capital purpose*. Gross external borrowing should not, except in the short term exceed the total of CFR in the preceding year plus the estimates of any

additional CFR for 2019/2020 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2019/2020 Original Estimate £m	2019/2020 Revised Estimate £m	Current Position £m
Borrowing	366.455	375.924	343.123
Other long term liabilities*	0.200	0.200	0.200
Total Debt	366.455	376.124	343.323
CFR (year-end position)	559.507	569.960	569.960

* Includes on balance sheet PFI schemes and finance leases

16. The Director of Finance and Procurement reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.
17. A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit, which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired could be afforded in the short term, is not sustainable in the long term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised Limit for External Debt	2019/2020 Original Budget £m	2019/2020 Revised Budget £m
Borrowing	624.297	624.297
Other long term liabilities*	0.200	0.200
Total Authorised Limit	624.497	624.497

Investment Portfolio 2019/2020

18. In accordance with the Code, 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.
19. As shown by current forecasts it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades, as rates are very low and in line with the 0.75% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual, investment returns are likely to remain low.
20. The Council held £104.380 million of investments as at 30/09/2019 (£101.913 as at 31 March 2019)
21. A summary of the Council's investments as at 30 September 2019 are detailed at Appendix 1.

22. The investment portfolio yield for the first six months of the year is 0.91% against a benchmark of 0.73% (Six month LIBID rate). Therefore, the Council outperformed the benchmark by 18 bps (basis points).

Borrowing

23. The Council’s Capital Financing Requirement (CFR) for 2019/2020 is £569.960 million. The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is usually driven by market conditions.

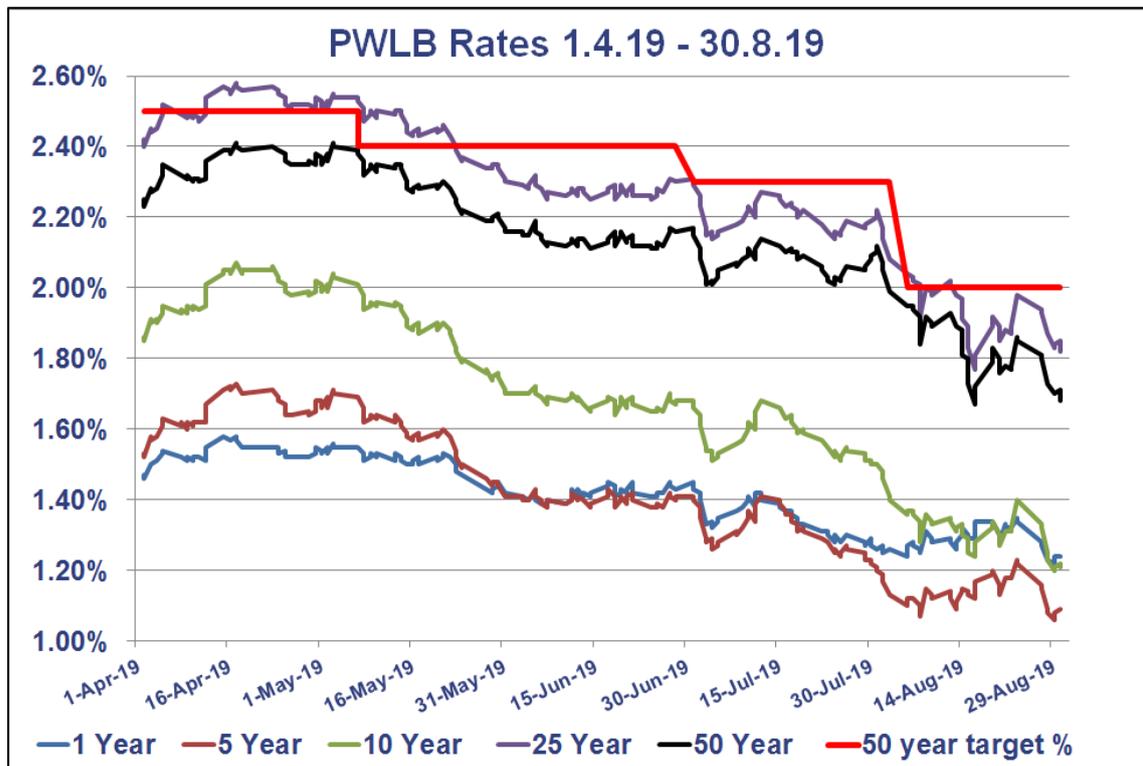
24. The table in paragraph 15 shows the Council has borrowings of £343.123 million and has utilised £226.837 million of cash flow funds in lieu of borrowing. This figure includes £72.395 million PFI liability, which when accounted for, results in a net internal borrowing position of £154.442 million. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

25. Due to the overall financial position and the underlying need to borrow for capital purposes, it is anticipated that further borrowing may be undertaken at the end of the financial year based on the current capital programme projections.

26. A summary of the Council’s borrowing as at 30 September 2019 is detailed at Appendix 2.

27. The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date.

	5 Year	10 Year	25 Year	50 Year
Low	1.06%	1.20%	1.77%	1.67%
Low Date	29/08/2019	29/08/2019	16/08/2019	16/08/2019
High	1.73%	2.07%	2.58%	2.41%
High Date	15/04/2019	17/04/2019	17/04/2019	17/04/2019
Average	1.41%	1.68%	2.27%	2.13%



Increase in the Cost of Borrowing from the PWLB

28. On 9 October 2019 the Treasury and PWLB announced an increase in all PWLB rates of approximately 100 bps across all new borrowing rates. There was no prior warning that this would happen, and it now means that every local authority has to fundamentally reassess how to finance their external borrowing needs and the financial viability of projects in their capital programme due to this unexpected increase in the cost of borrowing.
29. For example, as at 11 October 2019, the PWLB borrowing rate for 50 years was increased 2.81% from 1.81%. Wiltshire Council had been basing all forecasts for future borrowing and business cases on a borrowing rate of 2.60%. This allowed for fluctuations in borrowing rates due to the timing at which Wiltshire Council would enter into any new borrowing, e.g. the Council does not borrow for specified amounts at the time when new business cases are approved; new borrowing would only be taken when identified as required. Therefore, the current difference between the PWLB rate and the assumed borrowing rates by Wiltshire Council is only 0.21%.
30. Representations are going to be made by Local Authorities to HM Treasury to suggest that areas of capital expenditure that the Government are keen to see move forward e.g. housing should not be subject to such a large increase in borrowing rates.
31. Where Wiltshire Council has previously relied on the PWLB as its main source of funding, it now has to reconsider potential alternative cheaper sources of borrowing. At the current time, this is a developmental area as this event has also taken the financial services industry by surprise. We are expecting that various financial institutions will enter the market or make products available to local authorities. Members will be updated as this area evolves.

32. It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. Wiltshire Council may make use of this new source of borrowing as and when appropriate.

Interest Income & Expenditure Performance

33. The following table illustrates the budgeted and current forecast interest income and expenditure for the year:

Interest Income	Budget (£ million)	Forecast (£ million)	Variance (£ million)
General Fund	(0.850)	(0.784)	0.066
HRA	(0.090)	(0.112)	(0.022)
Total Interest Income	(0.940)	0.870	0.044
Interest Expenditure			
General Fund	9.500	9.503	0.003
HRA	3.799	3.324	(0.475)
Total Interest Expenditure	13.299	12.824	(0.472)
Net Interest Income/Expenditure			
General Fund	8.650	8.719	0.069
HRA	3.709	3.212	(0.497)
Total Net Interest	12.359	11.931	(0.428)

34. These forecasts have been included within the figures reported in the period 6 revenue budget monitoring report to Cabinet.

Debt Rescheduling

35. Debt rescheduling opportunities have been limited in the current economic climate given the consequent structure of interest rates and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010.

36. No debt rescheduling was undertaken during the half year.

Overview & Scrutiny Engagement

37. Financial Planning Task Group will consider this report on 13 November 2019. Any comments from the Task Group will be reported verbally at the meeting of Cabinet.

Safeguarding Implications

38. None have been identified as arising directly from this report.

Public Health Implications

39. None have been identified as arising directly from this report.

Procurement Implications

40. None have been identified as arising directly from this report.

Equalities Impact of the Proposal

41. None have been identified as arising directly from this report.

Environmental and Climate Change Considerations

42. None have been identified as arising directly from this report.

Risk Assessment

43. All investments have been at fixed rates during the period. The Council's current average interest rate on long term debt is 3.74%, which compares favourably with similar rates of other UK local authorities.

44. The primary management risks to which the Council is exposed are adverse movements in interest rates and the credit risk of counterparties.

45. Investment counterparty risk is controlled by assessing and monitoring the credit risk of borrowers as authorised by the Annual Investment Strategy.

Financial Implications

46. These have been examined and are implicit throughout the report.

Legal Implications

47. None have been identified as arising directly from this report.

Proposals

48. Cabinet is asked to note:

a) that the contents of this report are in line with the Treasury Management Strategy 2019/2020.

b) the performance of the Council's investments and borrowings against the parameters set out in the approved Treasury Management Strategy for 2019/2020.

49. Cabinet is asked to approve:

c) a recommendation to Full Council to approve revised counter party limits of:

- £10.000 million with HSBC in respect of fixed term investments
- £10.000 million with HSBC in respect of balances held on an overnight basis

Alistair Cunningham
Executive Director Growth, Investment & Place

Deborah Hindson
Interim Director Finance & Procurement

Report Author:

Stuart Donnelly, Head of Finance (Corporate)

Email: stuart.donnelly@wiltshire.gov.uk.

Tel: 01225 718582

09 October 2019

Appendices

Appendix 1 Investment Portfolio

Appendix 2 Borrowing Portfolio

Appendix 1

Investment Portfolio as at 30 September 2019 (compared to the counterparty list)

Borrower	Amount (£m)	Interest Rate (%)	Start Date	Maturity	Link Credit Rating (see next page for explanatory key)
Landesbank Hessen Thuringen Girobank	8.000	1.13	16/11/2018	15/11/2019	Orange - 12 months
Australia and New Zealand Banking Group	8.000	1.00	02/05/2019	04/11/2019	Orange - 12 months
Lloyds TSB Bank	10.000	1.25	15/05/2019	15/05/2020	Red - 6 months
Australia and New Zealand Banking Group	2.000	0.98	29/05/2019	29/11/2019	Orange - 12 months
DBS Bank Ltd.	2.000	0.91	29/05/2019	29/11/2019	Orange - 12 months
Goldman Sachs International Bank	10.000	0.90	31/05/2019	29/11/2019	Red - 6 months
First Abu Dhabi Bank	2.000	0.92	05/06/2019	05/12/2019	Orange - 12 months
Sumitomo Mitsui BC Europe	10.000	0.83	18/06/2019	18/12/2019	Red - 6 months
Thurrock Council	5.000	0.77	01/07/2019	01/11/2019	Local Authority - 60 months
Santander UK PLC	8.000	0.76	08/07/2019	08/11/2019	Red - 6 months
DBS Bank Ltd.	8.000	0.82	31/07/2019	29/11/2019	Orange - 12 months
HSBC Overnight Investment Account	4.200	0.60	*	*	Orange - 12 months
Svenska Handelsbanken Call Account	14.973	0.75	*	*	AAA
Black Rock Money Market Fund	0.003	0.69	*	*	AAA
JP Morgan Money Market Fund	0.002	0.69	*	*	AAA
Prime Rate Money Market Fund	0.831	0.73	*	*	AAA
Goldman Sachs Money Market Fund	0.001	0.67	*	*	AAA
Aberdeen Investments Liquidity Fund	11.370	0.73	*	*	AAA
Total	104.380				

* Money Market Funds/HSBC Overnight Investment Account/Call Account – cash can be invested and withdrawn on a daily basis (subject to maximum investment limits) so there is no start date or maturity date for the purposes of this report.

Link Asset Services provide a creditworthiness service, which employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- a) credit watches and credit outlooks from credit rating agencies;
- b) CDS spreads to give early warning of likely changes in credit ratings;
- c) sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- a) Yellow – 5 years (this category is for AAA rated Government debt or its equivalent, including an investment instrument – collateralised deposits, where the investment is secured only against local authority debt, namely LOBOs, making them effectively government exposure);
- b) Dark pink – 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- c) Light pink – 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- d) Purple – 2 years;
- e) Blue – 1 year (only applies to nationalised or semi nationalised UK Banks and their subsidiaries);
- f) Orange – 1 year;
- g) Red – 6 months;
- h) Green – 100 days; and
- i) No Colour – not to be used.

The advisor's creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Borrowing Portfolio as at 30 September 2019

Lender	Start Date	Maturity Date	Amount £m	Rate %	Annual Interest £m
Public Works Loan Board (PWLB)					
PWLB	28/03/2012	28/03/2020	8.000	1.99	0.159
PWLB	28/03/2012	28/03/2021	4.000	2.21	0.088
PWLB	15/02/2010	01/06/2021	2.000	4.33	0.087
PWLB	28/03/2012	28/03/2022	8.000	2.4	0.192
PWLB	28/03/2012	28/03/2023	8.000	2.56	0.205
PWLB	15/02/2010	01/06/2023	2.000	4.45	0.089
PWLB	28/03/2012	28/03/2024	8.000	2.7	0.216
PWLB	15/02/2010	01/06/2024	2.000	4.49	0.090
PWLB	28/03/2012	28/03/2025	8.000	2.82	0.226
PWLB	14/08/2001	01/12/2025	0.123	4.875	0.006
PWLB	28/03/2012	28/03/2026	10.000	2.92	0.292
PWLB	15/02/2010	01/06/2026	2.000	4.54	0.091
PWLB	28/03/2012	28/03/2027	8.000	3.01	0.241
PWLB	21/08/2002	01/06/2027	4.000	4.75	0.190
PWLB	28/03/2012	28/03/2028	6.000	3.08	0.185
PWLB	29/07/1999	01/06/2028	1.000	4.75	0.048
PWLB	15/02/2010	01/06/2028	2.000	4.56	0.091
PWLB	28/03/2012	28/03/2029	7.000	3.15	0.221
PWLB	29/07/1999	01/06/2029	1.000	4.75	0.048
PWLB	28/03/2012	28/03/2030	8.000	3.21	0.257
PWLB	29/07/1999	01/06/2030	1.000	4.75	0.048
PWLB	20/05/2005	01/06/2030	2.000	4.45	0.089
PWLB	05/12/2005	18/03/2031	5.000	4.25	0.213
PWLB	28/03/2012	28/03/2031	2.000	3.26	0.065
PWLB	29/07/1999	01/06/2031	1.000	4.75	0.048
PWLB	20/05/2005	01/06/2031	2.000	4.45	0.089
PWLB	21/11/2005	18/09/2031	2.000	4.25	0.085
PWLB	28/03/2012	28/03/2032	5.000	3.3	0.165
PWLB	20/05/2005	01/06/2032	2.000	4.45	0.089
PWLB	04/11/1999	01/12/2032	1.500	4.625	0.069
PWLB	28/03/2012	28/03/2033	6.000	3.34	0.200
PWLB	20/05/2005	01/06/2033	2.000	4.45	0.089
PWLB	15/11/1999	19/09/2033	1.000	4.25	0.043
PWLB	28/03/2012	28/03/2034	7.000	3.37	0.236
PWLB	20/05/2005	01/06/2034	2.000	4.45	0.089
PWLB	15/11/1999	18/09/2034	1.000	4.25	0.043
PWLB	21/11/2005	18/09/2034	5.000	4.25	0.213
PWLB	28/03/2012	28/03/2035	2.000	3.4	0.068
PWLB	14/06/2005	14/06/2035	5.000	4.35	0.218
PWLB	15/11/1999	18/09/2035	1.000	4.25	0.042

PWLB	21/11/2005	18/09/2035	5.000	4.25	0.213
PWLB	15/11/1999	18/09/2036	0.500	4.25	0.021
PWLB	15/11/1999	18/09/2036	0.500	4.25	0.021
PWLB	28/03/2012	28/03/2037	9.000	3.44	0.310
PWLB	11/01/2006	01/12/2037	4.000	4	0.160
PWLB	11/01/2006	01/12/2038	4.000	4	0.160
PWLB	15/02/2010	01/06/2041	2.000	4.57	0.091
PWLB	11/08/2006	01/12/2041	3.000	4.35	0.131
PWLB	15/02/2010	01/06/2042	2.000	4.57	0.091
PWLB	11/08/2006	01/12/2042	2.000	4.35	0.087
PWLB	11/08/2006	01/12/2043	2.000	4.35	0.087
PWLB	06/09/2006	01/12/2044	3.000	4.25	0.128
PWLB	06/09/2006	01/12/2045	3.000	4.25	0.128
PWLB	29/06/2006	18/09/2046	4.000	4.45	0.178
PWLB	30/08/2006	01/12/2046	2.000	4.25	0.085
PWLB	29/06/2006	18/09/2047	4.000	4.45	0.178
PWLB	30/08/2006	01/12/2047	2.000	4.25	0.085
PWLB	09/10/1998	18/09/2048	1.000	4.5	0.045
PWLB	29/06/2006	18/09/2048	3.500	4.45	0.156
PWLB	30/08/2006	01/12/2048	2.000	4.25	0.085
PWLB	09/10/1998	18/09/2049	1.000	4.5	0.045
PWLB	29/06/2006	18/09/2049	3.000	4.45	0.134
PWLB	30/08/2006	01/12/2049	2.000	4.25	0.085
PWLB	30/08/2006	01/06/2050	5.000	4.25	0.213
PWLB	17/09/1998	18/09/2050	1.000	5.125	0.051
PWLB	17/09/1998	18/09/2051	1.000	5.125	0.051
PWLB	07/03/2007	01/06/2052	2.000	4.25	0.085
PWLB	23/07/1998	03/06/2052	1.000	5.5	0.055
PWLB	07/03/2007	01/06/2053	2.000	4.25	0.085
PWLB	23/07/1998	02/06/2053	1.000	5.5	0.055
PWLB	19/06/1998	01/06/2054	1.000	5.375	0.054
PWLB	19/06/1998	01/06/2055	1.000	5.375	0.054
PWLB	21/06/2006	01/06/2055	2.000	4.3	0.086
PWLB	22/06/2006	18/09/2055	4.000	4.35	0.174
PWLB	19/06/1998	01/06/2056	1.500	5.375	0.081
PWLB	21/06/2006	01/06/2056	3.000	4.3	0.129
PWLB	22/06/2006	01/06/2056	6.000	4.35	0.261
PWLB	02/10/1997	25/09/2057	1.500	6.625	0.099
PWLB	13/03/2019	13/03/2063	10.000	2.36	0.236
PWLB	13/03/2019	13/03/2064	10.000	2.36	0.236
PWLB	13/03/2019	13/03/2065	10.000	2.36	0.236
TOTAL PWLB LOANS			282.123		10.161

Lender	Start Date	Maturity Date	Amount £m	Rate %	Annual Interest £m
LOBO Loans					
Barclays Bank	03/12/2004	03/12/2054	10.000	4.45	0.445
FMS Wermanagement	07/12/2004	08/12/2053	10.000	4.45	0.445
PBB Deutsche Pfandbriefbank	10/12/2004	10/12/2052	10.000	4.45	0.445
Dexia Credit Local	10/12/2004	11/12/2051	10.000	4.45	0.445
Barclays Bank	31/08/2005	31/08/2055	5.000	3.99	0.199
Dexia Credit Local	20/02/2006	18/02/2066	6.000	4.45	0.267
Beyern LB	05/03/2007	07/03/2067	4.000	4.2	0.168
Barclays Bank	31/07/2007	01/08/2067	6.000	4.21	0.253
TOTAL LOBO LOANS			61.000		2.667
TOTAL - ALL LOANS			343.123		12.828