

CABINET**MONDAY, 22 JULY 2019****TREASURY MANAGEMENT ANNUAL REPORT 2018/19**

Councillor Janette Williamson (Cabinet Member for Finance and Resources) said:

We have an excellent track record of investing public money to deliver a good return, and using the profits to support the services our residents rely on. I am pleased to bring this report to Cabinet which demonstrates this trend continuing.

An organisation the size of Wirral Council has a highly complex cashflow, with money coming in and out on a daily basis as services are provided and paid for. Our job is to manage those resources well, and make sure we maximise the interest we earn and the returns we can generate from sensible, targeted investments.

The return we get from these investments supports our services and goes towards offsetting the continuing reductions in support from Central Government.”

REPORT SUMMARY

The Authority’s treasury management activity is underpinned by CIPFA’s Code of Practice on Treasury Management (“the Code”), which requires the Authority to approve treasury management semi-annual and annual reports.

This report fulfils the Authority’s legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance.

Proactive Treasury Management activity has resulted in savings of £2.1 million. This is £1.0 million more than the estimated £1.1 million reported in the Treasury mid-year review. These savings were on top of the £3.8 million worth of Treasury Management savings already built into the 18/19 budget. The additional savings resulted due to a combination of increased investment income and securing lower cost loans. This means that the £2m saving in 2019/20 budget for increased income from Treasury Management has already been achieved.

The level of Capital Financing debt, including the Merseyside Residuary Body debt managed by the Council on behalf of the constituent authorities, was £174 million at 31 March 2018. This is a reduction of £90 million since 1 April 2012.

The Council has complied with the Prudential and Treasury Management Indicators as set out in the agreed Treasury Management Strategy for 2018/19.

This matter affects all Wards within the Borough.

The decisions in this report are key decisions.

RECOMMENDATIONS

- 1 That the Treasury Management Annual Report for 2018/19 be agreed; and
- 2 That the saving of £2.1 million from treasury and capital financing activities in 2018/19 be noted.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 Wirral has adopted the CIPFA Code of Practice on Treasury Management ("the Code"), which includes regular update reports to Members of treasury activity. This report is the annual review for 2018/19.
- 1.2 Under the Council's Financial Regulations any surplus resources, including any additional income, are returned to General Fund Balances and so used to support the delivery of other Council services.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 There is a legal requirement to produce an Annual Report on Treasury Management activities so no other options have been considered.

3.0 BACKGROUND INFORMATION

- 3.1 Treasury management is defined by CIPFA as: "The management of the local authority 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."
- 3.2 Cabinet approves the Treasury Management Strategy at the start of each financial year. This identifies how it is proposed to finance capital expenditure, borrow and invest in the light of capital spending requirements, the interest rate forecasts and the expected economic conditions. During the year Cabinet receives a mid-year report on treasury management activities and at the end of each financial year and an Annual Report.

ECONOMIC BACKGROUND

- 3.3 **Growth & Inflation:** UK Consumer Price Inflation (CPI) for February 2019 was up 1.9% year/year, just above the consensus forecast but broadly in line with the Bank of England's February Inflation Report. The most recent labour market data for the three months to January 2019 showed the unemployment rate fell to a new low 3.9% while the employment rate of 76.1% was the highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.4% as wages continue to rise steadily and provide some upward pressure on general inflation. Once adjusted for inflation, real wages were up 1.4%.
- 3.4 After rising to 0.6% in the third calendar quarter from 0.4% in the second, fourth quarter economic growth slowed to 0.2% as weaker expansion in production, construction and services dragged on overall activity. Annual GDP growth at 1.4% continues to remain below trend. Whilst the economic growth consequences of leaving the EU remain speculative, there is uniformity in expectations that uncertainty over the UK's future trade relations with the EU and the rest of the world will weigh on economic activity and business investment, constrain investment intentions and tighten credit availability.

- 3.5 A slowdown in economic growth in the EU, in both Germany and France, together with ongoing trade tensions between the US and China led the International Monetary Fund to downgrade its forecasts for potential global economic growth in 2019.
- 3.6 **Monetary Policy:** The Bank of England's Monetary Policy Committee (MPC) increased Bank Rate to 0.75% in August 2018. No changes to monetary policy have been made since.
- 3.7 **Market Reaction:** The increase in Bank Rate resulted in higher money markets rates. Gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth is not just a UK phenomenon but a global risk. Further evidence of such market volatility can be seen by looking back at the stock markets, most notably equities. In December the FTSE 100 fell by around 13% in pure price terms, but since the turn of the year markets have rallied, with the FTSE 100 around 10% higher than at the end of 2018.

BORROWING AND DEBT MANAGEMENT

- 3.8 The Authority's underlying need to borrow as measured by the Capital Financing Requirement (CFR) at 31 March 2019 was £371.8 million.

	Balance at 01/04/18 £000	Matured Debt £000	New Borrowing £000	Balance at 31/03/19 £000
CFR	339,074			371,769
Outstanding Debt				
Short Term Capital Debt	9,965	(9,965)	5,233	5,233
Long Term Capital Debt	171,502	(12,646)	5,625	164,481
Total Capital Debt	181,467	(22,611)	10,858	169,714
Temporary Cashflow Loans	85,331	(85,331)	89,060	89,060
Other Long Term Liabilities	45,365	(2,947)	0	42,418
Total External Debt	312,163	(110,889)	99,918	301,192

- 3.9 The difference between the Capital Financing Requirement and the level of External Debt is the extent to which the Authority is 'internally borrowed'. This is where the Authority utilises its own resources rather than take on external borrowing.
- 3.10 Affordability and the "cost of carry" remained important influences on the borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the

money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained lower than long-term rates, it was more cost effective in the short-term to use internal resources instead.

- 3.11 The benefits of internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose, the treasury management advisers, assist the Authority with this 'cost of carry' and breakeven analysis.
- 3.12 The chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the long-term plans change, being a secondary objective.
- 3.13 Given the reductions in local government funding, the borrowing strategy continued to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 3.14 As a consequence of the decision to borrow internally, the Authority's level of external long-term borrowing has reduced significantly over recent years. Utilisation of the short-term borrowing market has aided the policy of internal borrowing, whilst enabling the Council to have enough liquidity at a lower cost compared to the longer-term loan market.
- 3.15 With external borrowing reducing, the annual cost of financing this debt has also fallen year on year, generating savings, as illustrated below. These cost reductions, coupled with the deferral of further borrowing costs through internal borrowing provided substantial one-off savings.

Year ending 31st March	Capital Financing Loans £m	Annual Interest Cost £m
2012	264.3	10.9
2013	247.2	10.5
2014	217.2	9.8
2015	204.2	9.4
2016	199.4	9.2
2017	190.9	9.1
2018	181.8	9.0
2019	173.9	8.9

- 3.16 At 31 March 2019 the total external debt included £31.3 million for the Merseyside Residuary Body debt, which is repayable by other external organisations, which is administered by the Authority (£35.7 million at 31 March 2018).
- 3.17 The following table shows the capital financing loans repaid during the year.

Loans maturing in 2017/18	Principal £m	Fixed/ Variable	Rate %	Loan start date	Terms
*PWL B	5.00	Fixed	4.75	March 1999	Maturity
PWL B	0.13	Fixed	2.16	February 2019	E I P
PWL B	0.50	Fixed	3.04	February 2010	E I P
PWL B	0.50	Fixed	2.94	March 2010	E I P
PWL B	0.50	Fixed	1.89	October 2010	E I P
PWL B	0.50	Fixed	2.30	November 2011	E I P
SALIX	0.70	Fixed	0.00	October 2015	E I P
Total Maturing Borrowing	7.83				

Note: Equal Instalments of Principal (EIP) loans are loans that are repaid in equal instalments spread over the duration of the loan. Maturity loans are repaid in full at the maturity date of the loan.

- 3.18 During 2018/19 an opportunity was taken to refinance a long-term bank loan, on reduced settlement terms. The Council repaid a bank loan of £6 million running at an interest rate of 4.75% and replaced it with a PWLB loan with an interest rate of 2.16%.
- 3.19 The average rate of interest paid on long term borrowings as at 31 March 2019 was 5.84% (5.83% for 2017/18) and the average life is 27 years, (29 years in 2017/18). It should be noted that the average rate calculation excludes the benefit received from the policy of using internal borrowing to delay borrowing for capital financing purposes. This incurs a £nil borrowing cost at the expense of foregone investment income (approximately 1% at 31 March 2019) and if included would reduce the average rate.
- 3.20 Temporary, short dated loans, predominantly from other local authorities remain affordable and attractive for periods of low cash flow.

Other Long-Term Liabilities

- 3.21 Other Long-Term Liabilities relates to the schools Private Finance Initiative (PFI) scheme. Under the International Financial Reporting Standards (IFRS) these items are now shown on the Balance Sheet as a Financial Liability and therefore need to be considered within any Treasury Management decision making process.
- 3.22 As at 31 March 2019 the PFI liability was valued at £42.4 million to be repaid by 2031.

Minimum Revenue Provision (MRP)

- 3.23 The amount of MRP charged during the year is determined in the main by the Capital Financing Requirement (CFR). The Council takes a prudential approach the management of the repayment of long-term borrowing debt. The aim is to minimise the financial commitment to the revenue budget, over the long term, of the cost of meeting the capital financing requirement of the capital

programme. This reserve has been created in 2018/19 following a debt payment review that examined past capital financing requirements and reprofiled the requirements for the funding of the consequences of this past borrowing. Consequently, this reserve holds the funding that has resulted from the assessment and the re-profiling debt payments over the long term. These annual revenue payments will be funded from an annual release of a specific amount from this reserve. The reserve is still subject to External Audit and in the event this treatment is not in line with their agreement, future years provision for MRP will instead be reduced to the same value.

INVESTMENT ACTIVITY

- 3.28 Both the CIPFA and the CLG's Investment Guidance require the Authority to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield. The following table summarises the investment activity during the year.

Investment Counterparty	Balance 01/04/18 £000	Investments Made £000	Maturities £000	Balance 31/03/19 £000	Credit Rating
UK Local Authorities	5,000	-	(5,000)	-	AA
Banks	6,000	29,833	(28,555)	7,278	AA-
	3,000	92,644	(90,644)	5,000	A+
	3,000	35,495	(38,495)	-	A
Building Societies	3,000	1,000	(4,000)	-	Unrated
Money Market Funds	22,650	313,345	(315,168)	20,827	AAA
Corporate	1,650	300	(400)	1,550	Unrated
Externally Managed Funds	6,000	1,000	-	7,000	AAA
Total	50,300	473,617	(482,262)	41,655	

Note 1: Any unrated Building Societies utilised have been independently assessed as credit worthy

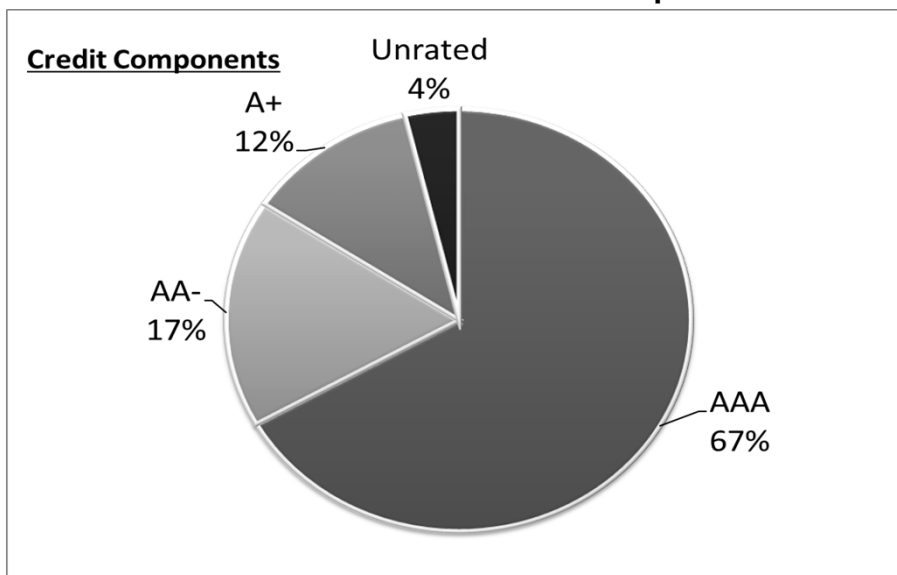
Note 2: Unrated Corporate investments are cash flow facilities backed by suitable financial guarantees.

- 3.29 Security of capital remained the main investment objective. This was maintained by following the counterparty policy set out in the Treasury Management Strategy Statement for 2018/19 which defined "high credit quality" organisations as those having a long-term credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.
- 3.30 Counterparty credit quality was assessed and monitored with reference to credit ratings (the Authority's minimum long-term counterparty rating for 2018/19 was

A- across rating agencies Fitch, S&P and Moody's); credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.

- 3.31 The following chart shows the credit composition of the Council's investment portfolio as at 31 March 2019:

Chart 1: Investment Portfolio – Credit Components



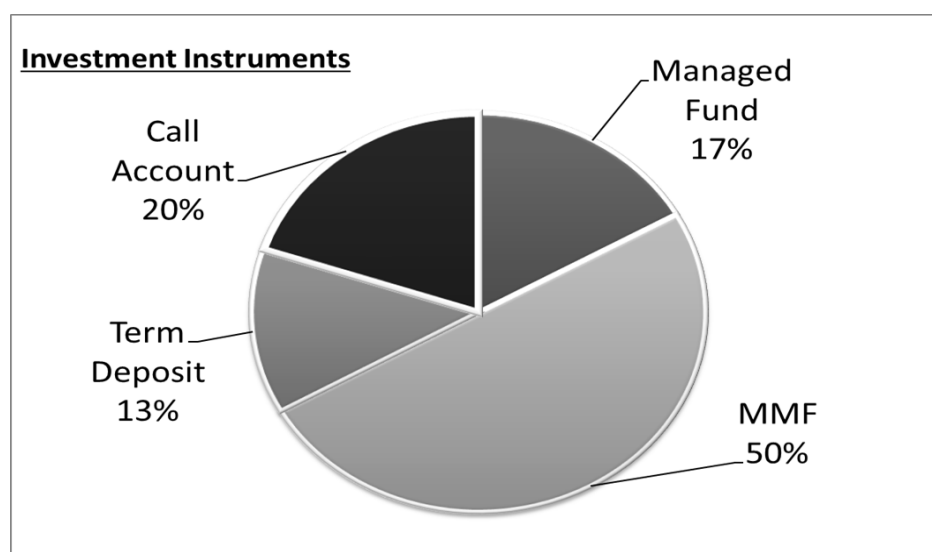
Note: 'Unrated' components relate to Building Societies and Corporate investments that despite the absence of a formal rating, are either deemed credit worthy due to analysis of their performance over a variety of credit metrics or backed by suitable financial guarantees. These institutions are subject to a lower counterparty limit than those with formal credit ratings.

- 3.32 Investments with Banks and Building Societies were primarily call accounts and fixed-rate term deposits. The maximum duration of any new investment was constantly reviewed in line with the prevailing credit outlook during the year as well as market conditions.
- 3.33 The outlawing of bail-outs, the introduction of bail-ins, and the preference being given to large numbers of depositors other than local authorities means that the risks of making unsecured deposits has risen relative to other investment options. The Authority included further options for investment diversification in the Treasury Management Strategy Statement for 2018/19. In keeping with the MHCLG Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds and the use of call accounts.
- 3.34 The Authority also has investments in externally managed cash plus funds, a strategic bond fund and a pooled property fund, which allow the Authority to diversify into asset classes other than cash with the need to own and manage the underlying investments. The funds which are operated on a variable net asset value (VNAV) basis offer diversification of investment risk, coupled with the services of a professional fund manager; they also offer enhanced returns over the longer term but are more volatile in the short-term. The Authority's

pooled fund investments are in the respective fund's 'distributing' share class which pay out the income generated.

- 3.35 Although money can be redeemed from the pooled funds at short notice, the Authority's intention is to hold them for the medium-term. Their performance and suitability in meeting the Authority's investment objectives are monitored regularly and discussed with Arlingclose.
- 3.36 For diversification purposes the Treasury Management team invest in a variety of counterparties and financial instruments to help mitigate counterparty and liquidity risks. A summary of the instruments invested in follows:

Chart 2: Investment Portfolio – Financial Instruments



- 3.37 As stated in the Revenue Monitoring reports the budgeted investment income for the year estimated at £0.56 million was unlikely to be achieved. The final income for the year was £0.38 million (£0.30 million in 2017/18) with the reduction due to: -
- a) The continuing policy of achieving larger savings by relying on internal borrowing to temporarily fund and thereby delay borrowing for the Capital Programme, which also reduces balances available to put into investments.
 - b) Low interest rates offered for investments.
- 3.38 The level of investment income does not reflect the savings of an estimated 2.5% on delayed borrowing for amounts internally borrowed. Despite the UK Bank Rate being raised to 0.75% in August 2018, interests rates have remained at historically low levels. The return on investments, along with our policy of internally borrowing, reflects prevailing market conditions and the objective of optimising returns commensurate with the principles of security and liquidity.

Credit Rating Developments

- 3.39 The statutory deadline for UK banks' ring-fencing passed on the 1st January 2019. The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/NatWest Bank plc) transferred their business lines into retail (ringfenced) and investment banking (non-ringfenced) entities.
- 3.40 Credit Default Swaps (CDS) can be used as a measure of the financial markets view of the financial health of a banking institution, the higher the CDS the higher the uncertainty level. CDS prices drifted up towards the end of 2018 on the back of Brexit uncertainty before declining again in 2019 and continuing to remain low in historical terms.
- 3.41 In February, Fitch put the UK AA sovereign long-term rating on Rating Watch Negative as a result of Brexit uncertainty, following this move with the same treatment for UK banks and several government-related entities. There were minimal other credit rating changes during the period. Moody's revised the outlook on Santander UK to positive from stable to reflect the bank's expected issuance plans which will provide additional protection for the its senior unsecured debt and deposits.

Readiness for Brexit

- 3.42 With little by way of political clarity as to the exact date on whether there would be an agreed deal prior to leaving the EU and to be prepared for the outside chance of a particularly disruptive Brexit (such as last-minute no-deal) on 29th March, the Authority ensured there were enough accounts open at UK-domiciled banks and Money Market Funds to hold sufficient liquidity over the year end and that its account with the Debt Management Account Deposit Facility (DMADF) remained available for use in an emergency..
- 3.43 The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short- and long-term borrowing was maintained.

Non-Treasury Investments

- 3.44 The Treasury Management Code definition of 'investments' has been widened to include financial assets as well as non-financial assets held primarily for financial returns such as investment property. These, along with other investments made for non-treasury management purposes such as loans supporting service outcomes and investments in subsidiaries, must be discussed in the Capital Strategy or Investment Strategy. Additional risks of such investments are to be set out clearly and the impact on financial sustainability is to be identified and reported.

COMPLIANCE WITH PRUDENTIAL & TREASURY INDICATORS

- 3.47 The Authority confirms that it has complied with its Prudential Indicators and Treasury Management Indicators for 2018/19, which were approved on 19

February 2018 as part of the Treasury Management Strategy Statement. Details can be found in the Appendix.

- 3.48 In compliance with the requirements of the CIPFA Code of Practice this report provides Members with a summary report of the treasury management activity during 2018/19. None of the indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

4.0 FINANCIAL IMPLICATIONS

- 4.1 In the financial year 2018/19 proactive treasury management activities produced a one-off saving of £2.1 million.
- 4.2 Capital financing debt has reduced to £174 million, a decrease of £90 million since 2012, despite additional annual Capital commitments. This has also contributed to the generation of substantial savings.
- 4.3 Investment income has also helped to generate resources for service delivery.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council's has adopted the CIPFA Code of Practice on Treasury Management. This requires the annual production of Prudential Indicators and a Treasury Management Strategy Statement and the reporting of treasury management activities at least twice a year.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 There are none arising directly from this report.

7.0 RELEVANT RISKS

- 7.1 The Council is responsible for treasury decisions and activity and none of these decisions are without risk. The successful identification, monitoring and control of risk are important and the main risks are:-

- Liquidity Risk (Inadequate cash resources).
- Market or Interest Rate Risk (Fluctuations in interest rate levels).
- Inflation Risk (Exposure to inflation).
- Credit and Counterparty Risk (Security of investments).
- Refinancing Risk (Impact of debt maturing in future years).
- Legal and Regulatory Risk.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 There has been no specific consultation with regards to this report.

9.0 EQUALITY IMPLICATIONS

- 9.1 There are none arising directly from this report.

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APPENDICES

Appendix Prudential & Treasury Indicators 2018/19

BACKGROUND DOCUMENTS**SUBJECT HISTORY**

Council Meeting	Date
Treasury Management Annual Report 2017/18	16 July 2018
Treasury Management Strategy Statement 2018/19	19 February 2018
Treasury Management Mid-Year Report 2018/19	26 November 2018

PRUDENTIAL INDICATORS 2018/19

(a) Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the Authority adopted the principles of best practice.

The Council has previously approved the adoption of the revised CIPFA Treasury Management Code 2017 Edition.

(b) Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and in particular, to consider the impact on Council Tax.

Expenditure	31/03/19 Actual £m	31/03/20 Estimate £m	31/03/21 Estimate £m
General Fund	48.5	91.3	29.3

Capital expenditure has or will be funded as follows:

Capital Financing	31/03/19 Actual £m	31/03/20 Estimate £m	31/03/21 Estimate £m
Capital receipts	14.3	0.0	0
Grants and Contributions	14.8	41.1	17.6
Revenue and Reserves	0.0	0	0
Unsupported borrowing	19.4	50.2	11.7
Total Funding	48.5	91.3	29.3

(c) Capital Financing Requirement (CFR)

Estimates of the Authority's cumulative maximum external borrowing requirement for 2018/19 to 2020/21 are shown in the table below:

Capital Financing Requirement	31/03/19 Actual £m	31/03/2020 Estimate £m	31/03/2021 Estimate £m
General Fund	371.8	408.3	404.3

(d) Gross Debt and the Capital Financing Requirement:

In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of Capital Financing Requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next

two financial years. This is a key indicator of prudence.

Debt	31/03/2019 Actual £m	31/03/2020 Estimate £m	31/03/21 Estimate £m
Borrowing	258.8	306.1	314.1
PFI liabilities	42.4	39.5	36.5
Total Debt	301.2	345.6	350.6
Borrowing in excess of CFR?	No	No	No

Total debt is expected to remain below the CFR during the forecast period.

(e) Authorised Limit and Operational Boundary for External Debt

The Operational Boundary for External Debt is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring. Other long-term liabilities relate to the Private Finance Initiative that are not borrowing but form part of the Authority's debt.

The Authorised Limit for External Debt is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

There were no breaches to the Authorised Limit and the Operational Boundary during 2018/19.

	Operational Boundary (Approved) 31/03/2019 £m	Authorised Limit (Approved) 31/03/2019 £m	Actual External Debt 31/03/2019 £m
Borrowing	404.0	414.0	258.8
Other Long-term Liabilities	58.0	63.0	42.4
Total	462.0	477.0	301.2

(f) Ratio of financing costs to net revenue stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The ratio is based on costs net of investment income.

Ratio of Finance Costs to Net Revenue Stream	2018/19 Actual %	2019/20 Estimate %	2020/21 Estimate %
Ratio	6.27	7.38	8.07

(g) Incremental Impact of Capital Investment Decisions

This is an indicator of affordability that shows the impact of capital investment decisions on Council tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with the equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2018/19 Actual £	2019/20 Estimate £	2020/21 Estimate £
Increase in Band D Council Tax	4.88	8.22	22.59

TREASURY MANAGEMENT INDICATORS

(h) Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Lower Limit	Upper Limit %	Actual Fixed Rate Borrowing at 31/03/19 £m	Actual Fixed Rate Borrowing at 31/03/19 %
Under 12 months*	0	80	181.8	70.2
12 months and within 24 months	0	50	3.6	1.4
24 months and within 5 years*	0	50	21.6	8.4
5 years and within 10 years	0	50	6.7	2.6
10 years and over	0	100	45.1	17.4
Total			258.8	100.0

*LOBO loans have been included at their next possible call date, which range between 1 month and 5 years.

(i) Upper Limits for Fixed and Variable Interest Rate Exposure

These allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on the portfolio of investments.

Interest Rate Exposure	Fixed Rate of Interest	Variable Rate of Interest	Total
Borrowings	£169.7	£89.1m	£258.8m
Proportion of Borrowings	66%	34%	100%
Upper Limit	100%	100%	
Investments	£5.6m	£36.1m	£41.7m
Proportion of Investments	13%	87%	100%
Upper Limit	100%	100%	
Net Borrowing	£164.1m	£53.0m	£217.1m
Proportion of Total Net Borrowing	76%	24%	100%

j) Total principal sums invested for periods longer than 364 days

This indicator allows the Council to manage the risk inherent in investments longer than 364 days and for 2018/19 the limit was set at £75 million.

As at 31 March 2019 the Council had £1.6 million that potentially could be invested for longer than 364 days.