Agenda item: 13

Cabinet – 13 December 2023

Treasury Management Mid-Year Position Statement 2023/24

Portfolio: Councillor Ferguson – Internal Services

Related portfolios:

Service: Finance

Wards: All

Key decision: No

Forward plan: Yes

1. Aim

1.1 The council is required through regulations issued under the Local Government Act 2003 to produce a mid-year position statement reviewing treasury management activities and prudential and treasury indicator performance. The Treasury Management mid-year position statement at Appendix A provides Cabinet with these details and meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

2. Summary

2.1. This report sets out the council's 2023/24 mid-year position statement for treasury management activities (Appendix A) and a summary of performance against set targets (Appendix B).

2.2. The net position for capital financing is an expected underspend against the 2023/24 budget of £2.080m. In addition to the underspend there is a forecast net transfer to reserves of £5.720m to fund future years borrowing costs and to mitigate any risk arising from the removal of the statutory override in relation to property fund valuations.

3. Recommendations

3.1 That Cabinet notes and forward to Council, for consideration and noting (and in line with the requirements of the Treasury Management Code of Practice (2021)), the mid-year position statement for treasury management activities 2023/24 including prudential and local indicators (Appendix A).

4. Report detail - know

Context

4.1 The council's Treasury Management service is responsible for maintaining the council's cash flow and banking arrangements, alongside management of its borrowing and investment requirements.

4.2 In terms of cash flow, the council is required to set a balanced budget each year, which broadly means cash raised during the year will be in line with its budgeted expenditure. As such the role of the treasury management service within that is to ensure this cash flow is adequately planned, and that cash is available to meet expenditure as required.

4.3 Effective cash flow planning allows the authority to understand how long it will have surplus balances available to it, and to undertake investments (in line with the Treasury Management Policy Statement – approved by Council in February 2023) in the interim period which can generate income for the authority.

4.4 In relation to any borrowing requirements, these are linked to the council's approved capital programme, with the treasury management service identifying the associated borrowing requirement and the most effective method to fund that - which may involve arranging long or short term loans, or using longer term cash flow surpluses (known as internal borrowing).

4.5 In line with the Treasury Management Code of Practice (2021) there are a number of reports relating to the performance of the treasury management service that are required to be produced and reported publicly each year. One of these is a requirement to publish a Treasury Management Mid Year Position statement, and this is provided within the report attached at Appendix A – with the following points summarising key areas of performance within that:

- The mid year position statement meets the requirement of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

- The banking environment has improved during 2023/24 with interest rates offered on investments continuing to increase without any corresponding increase in counter party risk. From 2 February 2023 to 30 September 2023 there have been 5 Bank of England base rate increases, taking the bank rate at that point to 5.25%, with forecasts at that time expecting rates to remain at this same level in March 2024.

- The authority has continued to identify appropriate new areas of investment opportunity which, together with investment income rates being higher than budgeted (as a result of the successive changes in the base rate), has led to a significant over overachievement on average cash investment performance, which is forecast to deliver a positive return of £0.680m above the budget set

for the year. The average investment income rate on all cash investments as at 30 September 2023 was 4.56%, compared to the average for 2022/23 of 2.05% and a budgeted rate of 2.50%.

- Savings are forecast to be made on interest payable costs with £5.038m expected to be transferred to reserves at 30 September 2023 to support future cost pressures and risks. These savings are due to a planned budgeted transfer to reserves as well as a result of the council choosing to utilise its cash balances to fund capital expenditure rather than borrowing externally as originally budgeted for.

5. Council Plan priorities

5.1 Sound financial management of the council's cash balances supports the delivery of council priorities within the council's available resources.

6. Risk management

6.1 Treasury management activity takes place within a robust risk management environment, which enables the council to effectively maximise investment income and minimise interest payments without undue or inappropriate exposure to financial risk. It is recognised that the management of risk is as important as maximisation of performance and it is essential that the council has the right balance of risk and reward when making investment decisions. This is supported by treasury management policies which seek to manage the risk of adverse fluctuations in interest rates and safeguard the financial interests of the council.

6.2 Uncertainty for interest rates and within the financial markets continues to create risk with a period of high inflation and continually increasing interest rates. The Bank of England is expected to keep interest rates at the current peak of 5.25% until the second half of 2024 and decline gradually following this. The Council has responded to this risk by reviewing the counterparties that it utilises for investments to minimise the risk to any one counter party or class of counter party, and by utilising cash balances as a first call rather than taking out new borrowing to fund capital expenditure.

7. Financial implications

7.1 Treasury management activity forms part of the council's financial framework and supports delivery of the medium term financial strategy. Treasury management performance and activity is reviewed through both the treasury management annual report and the mid-year performance review report.

7.2 The financial position set out at the mid year point, as at 30 September 2023, shows a forecast positive variance for the service against the budget available for the year of £2.080m, with details of the reasons for that set out within the 'Treasury Management Mid Year Review' report attached at Appendix A.

8. Legal implications

8.1 The council is required to have regard to the Prudential Code under the duties outlined by the Local Government Act 2003. One requirement of the Prudential Code is that the council should comply with the CIPFA Code of Practice for Treasury Management. The council adopted the original treasury management code in 1992 alongside further revisions to the Code in 2002, 2010, 2017 and 2021.

9. Procurement Implications / Social Value

9.1 None directly relating to this report.

10. Property implications

10.1 None directly relating to this report.

11. Health and wellbeing implications

11.1 None directly relating to this report.

12. Staffing implications

12.1 None directly relating to this report.

13. Reducing Inequalities

13.1 No issues directly relating to this report.

14. Climate Change

14.1 No issues directly relating to this report.

15. Consultation

15.1 The report has been approved by the finance treasury management panel, an internal governance arrangement comprising the S151 Officer, Director - Finance Corporate Performance & Corp Landlord and relevant Heads of Finance.

16. Decide

16.1 In line with the Treasury Management Code of Practice (2021) there are a number of reports that are required to be produced and reported publicly each year. The Treasury Management Mid-Year Position statement forms one of these requirements and as such is being reported to Cabinet for noting and forwarding on to Council for consideration.

17. Respond

17.1 This report is not seeking approval of a decision, in line with the Treasury Management Code of Practice (2021) it is required to be reported for noting and forwarding to Council for consideration.

18. Review

18.1 In line with Treasury Management Code of Practice (2021) this is a backward looking document looking at performance over the first six months of the current financial year and a further report on performance will be provided each year in line with the requirements of the Code.

Background papers

Various financial working papers

Corporate Budget Plan 2023/24 to 2026/27, incorporating the Capital Strategy, and the Treasury Management and Investment Strategy 2023/24 – Council 23/02/23

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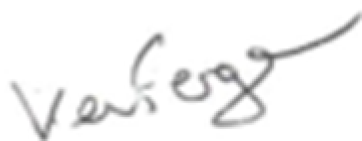

Councillor K Ferguson
Portfolio holder

13 December 2023

Appendix A

Treasury Management Mid-Year Review

Summary

In line with the Treasury Management Code of Practice (2021) requirements, this report provides an overview of treasury management performance between 31 March 2023 and 30 September 2023, including an overview of the borrowing and investment position for the authority, the budgetary position of the treasury management service, an economic update and a summary of delivery against performance targets approved for the year.

Borrowing and Investments

Table 1 shows borrowing and investments held at 31 March 2023 and 30 September 2023. The table shows that net borrowing has reduced by £30m during this period. The reduction is predominantly due to maturities of long-term borrowing with PWLB, and other maturities for loans taken out to meet the cash flow requirements related to the upfront pension payment made in April 2020.

The forecast borrowing position for the year end shows that since 31 March 2023 borrowing levels are expected to increase by £10m overall. Borrowing of £40m to support the capital programme is expected to be undertaken during the latter half of the year, resulting in a net increase of £10m borrowing over this financial year.

The investment balance for the period to 30 September 2023 has decreased by approximately £26m. The authority has delayed borrowing to support the capital programme due to the high interest rate environment, this has led to reduced investment balances. This reduction is in line with the budgeted assumptions for the year which included a plan to ensure that cash balances were maintained at an appropriate and robust level in line with expected cashflows projected for the year. This is also linked to the cashflow profile for local authorities where a large proportion of income is normally received at the start of the year (with upfront funding provided to the authority in relation to a number of grants, and with a large number of individuals and businesses choosing to make early payments of council tax and business rates invoices etc), with corresponding expenditure normally being spread across the year.

The forecast investment position for the year end shows that investment balances are expected to decrease further as we approach 31 March 2024 as payments on capital schemes are made and less income is profiled to be raised (and therefore collected) during the period, however these balances are sufficient and in line with budgeted expectations.

Table 1

Borrowing	31-Mar-23	30-Sep-23	Change in year	Forecast Position[RW1] 31-Mar-24	Forecast Change 31-Mar-23 to 31-Mar-24
	£m	£m	£m	£m	£m
PWLB	174.365	154.365	(20.000)	154.365	(20.000)
Private Loans	75.000	75.000	0.000	75.000	0.000
Other Loans	16.226	6.226	(10.000)	46.226	30.000
Total Borrowing	**265.591**	**235.591**	**(30.000)**	**275.591**	**10.000**
Investments	**31-Mar-23**	**30-Sep-23**	**Change in year**	**Forecast Position 31-Mar-24**	**Forecast Change 31-Mar-23 to 31-Mar-24**
	£m	£m	£m	£m	£m
At-call	47.771	45.323	(2.448)	31.477	(16.294)
Short term	58.000	34.500	(23.500)	10.000	(48.000)
Long term	5.000	5.000	0.000	5.000	0.000
Property funds	30.000	30.000	0.000	30.000	0.000
Total Investments	**140.771**	**114.823**	**(25.948)**	**76.477**	**(64.294)**
Net Position (Borrowing less Investment)	**124.820**	**120.768**	**(4.052)**	**199.114**	**74.294**

Capital Financing Budget Update

Table 2 below shows the mid-year revenue outturn forecast for treasury management capital financing. Prior to any transfer to or from reserves there is an expected underspend of £7.214 within capital financing. £5.720m is forecast to be transferred to reserves to fund future years borrowing costs and to mitigate any risk arising from the removal of the statutory override in relation to property fund valuations. The underspend is due to a budgeted transfer to reserves, a saving on borrowing interest costs by delaying borrowing, along with over achievement of interest income on investments. £0.009m is also being utilised to find upfront pension payments from April 2020. As at 30 September 2024 a net underspend of £2.080m is forecast.

The Minimum Revenue Provision (MRP) charge for the year is forecast to be £0.577m over budget, however this was expected and a transfer from reserves equal to the forecast overspend is therefore planned to manage that. This transfer from reserves is a continuation of the release of the c.£24m savings identified as a result of the MRP review in 2015/16 and c.£21m savings identified as a result of the MRP review in 2020/21.

Table 2

Service Description	Full Year Forecast	Annual Budget	Forecast Variance	Transfer (from) / to reserves	Net Forecast Variance
	£m	£m	£m	£m	£m
Interest Payable	10.265	17.374	(7.109)	5.029	(2.080)
Investment Returns	(5.264)	(4.582)	(0.682)	0.682	(0.000)
Allocation of interest on internal balances	0.138	0.138	0.000	0.000	0.000
Other Local Authority Debt	2.296	2.296	0.000	0.000	0.000
Treasury Management costs	0.020	0.020	0.000	0.000	0.000
Bank charges	0.136	0.136	0.000	0.000	0.000
Minimum Revenue Provision	10.042	9.465	0.577	(0.577)	0.000
Total	**17.633**	**24.847**	**(7.214)**	**5.134**	**(2.080)**

Economic update provided by the Council's external Treasury Management Partner as at September 2023

- The first half of 2023/24 saw:
  - Interest rates rise by a further 100 basis points, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
  - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
  - A 0.5% month/month decline in real Gross Domestic Product (GDP) in July, mainly due to more strikes.
  - Consumer Price Index (CPI) inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
  - Core Consumer Price (CPI) Index inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
  - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3 month year/year growth of average earnings rose to 7.8% in August, excluding bonuses).
- The 0.5% month/month fall in Gross Domestic Product (GDP) in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% quarter/quarter rise in real

Gross Domestic Product (GDP) in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.

- The 0.4% month/month rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with Consumer Price Index (CPI) inflation past its peak and expected to decline further, the economy has got through the cost-of- living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3 month year/year rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3month year/year in June to 8.1% 3 month year/year, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.
- Consumer Price Index (CPI) inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core Consumer Price Index (CPI) inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.

- In its latest monetary policy meeting on 02 November, the Bank of England left interest rates unchanged at 5.25% for the second meeting in a row. Although inflation is still high, it has fallen from 11% in 2022 to 6.7% in September and is expected to fall further this year to around 4.5%. The minutes show the decision was "finely balanced". Six MPC members voted for no change and the other three voted for a 25 basis point hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required". Governor Bailey stated, "we'll be watching closely to see if further increases are needed". The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long".
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.
- The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).
- The pound weakened from its cycle high of $1.30 in the middle of July to $1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100's relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

Performance

The prudential and local indicators as at 30 September 2022 are shown in **Appendix B.** All indicators are currently being met with the exception of the following:

L8. Average Interest Received on STI vs at all rate 0.88%. Short term interest showing at 4.60% is 0.04% higher than the at-call rate which shows as 4.56%. However, the target rate for STI vs call rate shows at 35.00%. At the time these targets were set short term interest rates were significantly higher than at call rates. Also, as the call rate is increasing there are still active short-term investments placed over the past 12 months which are providing a much lower yield in comparison to current short term yields. Once these investments have matured (and potentially re-invested), we should see an increase in short term interest rate.

L11. Average rate on all investments (including the property fund) 4.47%. This is currently under the target rate of 4.54% but is expected to be met by the end of the year as short term deals are re-invested at higher rates in combination with increasing at call rates which have continued with the recent base rate increases.

The targets that these prudential indicators are monitored against have been taken from the Treasury Management and Investment Strategy for 2023/24 onwards.

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Appendix B

Prudential Indicators as at 30th September 2023

Prudential Indicator		Actual 2022/23 £m	Target 2023/24 £m	Actual Position at 31-March-24 £m	Variance to target	
					Numerical Variance	% Variance
PrI 1	**Capital Expenditure**	96.31	135.60	**116.90**	-18.70	-14%
This indicator is required to inform the council of capital spending plans, it is the duty of a local authority to determine and keep under review the amount that it can afford to allocate to capital expenditure. Capital expenditure may be funded by grant, capital receipts and borrowing.						
PrI 2	**Ratio of financing costs to net revenue stream**	**4.05%**	8.86%	**5.56%**	-3.30	-37%
Financing costs - Divided by (Interest charged on loans Less Interest earned on investments)		**Budget requirement** (Revenue Support Grant + NNDR +Council Tax)			**The ratio of financing costs to net revenue stream (General Fund)** as a %	
PrI 3	**Estimates of the incremental impact of new capital investment decisions on Council Tax**	**£43.02**	£89.66	**£89.66**	0.00	0%
This is a notional amount indicating the amount of council tax band D that is affected by the capital programme in the budget report compared to existing approved commitments and current plans.						
PrI 4	**Capital Financing Requirement**	**390.19**	433.11	**433.11**	0.00	0%
This represents the underlying level of borrowing needed to finance historic and future capital expenditure. It is updated at end of the financial year.						
PrI 5	**Authorised Limit for external debt**	**474.39**	465.41	**465.41**	0.00	0%
The council may not breach the limit it sets, so it is important to allow prudent room for uncertain cash flow movements and borrowing in advance of future need.						
PrI 6	**Operational Limit for external debt**	**431.25**	423.10	**423.10**	0.00	0%
This has been set at the level of the capital financing requirement less the CFR items relating PFI and finance leases.						
PrI 7	**Gross Borrowing exceeds capital financing requirement**	**No**	**No**	**No**		
The CFR represents the underlying level of borrowing needed to finance historic capital expenditure. Actual net borrowing should be lower than this because of strong positive cash flow and balances. It would be a cause for concern if net borrowing exceeded CFR.						
PrI 8	**Authority has adopted CIPFA Code of Practice for Treasury Management**	**Yes**	**Yes**	**Yes**		
To ensure that treasury management activity is carried out within best professional practice.						
PrI 9	**Total principle sums invested for longer**	**5.0**	**25.0**	**5.0**		

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	than 364 days must not exceed				
The council is at risk when lending temporarily surplus cash. The risk is limited by investing surplus cash in specified investments and by applying lending limits and high credit worthiness. These are kept under constant review.					

Prudential Indicator continued		Upper Limit	Lower Limit	Actual 2022/23	Actual Position at 31-March-2024
PrI 10	Fixed Interest Rate Exposure	95.00%	40.00%	**98.14%**	**91.61%**
PrI 11	Variable Interest Rate Exposure	45.00%	0.00%	**1.86%**	**8.39%**
PrI 12	***Maturity Structure of Borrowing***				
	Under 12 months	25.00%	0.00%	**12.84%**	**8.16%**
	12 months and within 24 months	25.00%	0.00%	**12.24%**	**12.71%**
	24 months and within 5 years	40.00%	0.00%	**20.25%**	**17.58%**
	5 years and within 10 years	50.00%	5.00%	**0.00%**	**0.00%**
	10 years and above	85.00%	30.00%	**54.67%**	**61.55%**

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Local Indicators as at 30th September 2023

Local Indicators		Actual 2022/23	Target 2023/24	Actual Position as at 31-March-2024	Variance to target		Met
					Numerical Variance	% Variance	
L1	**Full compliance with prudential code**	**Yes**	Yes	**Yes**	-	-	Y
L2	**Average length of debt**	**17.13**	Lower Limit 15 years, Upper limit 25 years	**18.86**	-	-	Y
This is a maturity measure and ideally should relate to the average lifespan of assets.							
L3a	**Financing costs as a % of council tax requirement**	**10.64%**	20.00%	**3.13%**	-16.87	-84.35%	Y
L3b	**Financing costs as a % of tax revenues**	**7.21%**	12.50%	**2.09%**	-10.41	-83.27%	Y
These are a variation to PrI 3 excluding investment income and including MRP (amount set aside to repay debt costs). The target figure of 12.5% represents an upper limit of affordable net borrowing costs as a percentage of tax revenues for the authority. The actual level of net borrowing costs is currently less than the upper limit, which in the main is linked to the work undertaken by the service to seek to secure favorable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs.							
L4	**Net actual debt vs. operational debt**	**61.42%**	85.00%	**55.51%**	-29.49	-34.70%	Y
This assists the monitoring of the authority's debt position.							
L5	**Average interest rate of external debt outstanding excluding OLA**	**3.82%**	4.21%	**4.11%**	0.10	2.45%	Y
L6	**Average interest rate of external debt outstanding including OLA**	**3.87%**	4.33%	**4.16%**	0.17	3.82%	Y
The measure should be as low as possible. Other Local Authority debt (OLA) is managed on our behalf by Dudley council.							

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L7	**Gearing effect of 1% increase in interest rate**	**3.81%**	5.00%	**4.20%**	**0.04%** **This would increase the average interest rate payable from 4.16% shown in L6 to 4.20%**		Y
This relates risk management principles to the monitoring of the TM strategy. It measures the effect of a change in interest rates and the effect it may have on the capital financing costs.							
L8	**Average interest rate received on STI vs. At Call rate**	**-11.22%**	35.00%	**0.88%**	-34.12	-97.49%	N
L9a	**AT call investments**	**2.05%**	2.50%	**4.56%**	2.06	82.40%	Y
L9b	**Short Term Investments**	**1.82%**	3.75%	**4.60%**	0.85	22.67%	Y
L9c	**Long Term Investments**	**0.83%**	4.00%	**5.01%**	1.01	25.25%	Y
L9d	**Property Fund Investments**	**3.89%**	3.56%	**3.99%**	0.43	12.08%	Y
L10	**Average interest rate on all ST investments (ST and AT call)**	**1.89%**	3.39%	**4.58%**	1.19	35.23%	Y
L11a	**Average rate on all investments (ex. Property fund)**	**1.81%**	3.48%	**4.60%**	1.12	32.26%	Y
L11b	**Average rate on all investments (inc. property fund)**	**2.11%**	4.54%	**4.47%**	-0.07	-1.46%	N
L12	**% daily bank balances within target range**	**99%**	99%	**99%**	0.00	0.00%	Y
This measures how good our daily cash flow prediction is. A figure of 98% and above indicates a high level of accuracy.							

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