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| **DECISION-MAKER:** | | GOVERNANCE COMMITTEE<br>COUNCIL | | |
| **SUBJECT:** | | REVIEW OF PRUDENTIAL LIMITS AND TREASURY MANAGEMENT MIDYEAR REVIEW 2018/19 | | |
| **DATE OF DECISION:** | | 12 NOVEMBER 2018<br>21 NOVEMBER 2018 | | |
| **REPORT OF:** | | Director Finance and Commercialisation (S151) | | |
| **CONTACT DETAILS** | | | | |
| **AUTHOR**: | **Name:** | Tina Connolly | **Tel:** | 023 8083 2428 |
| | **E-mail:** | tina.connolly@southampton.gov.uk | | |
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| | **E-mail:** | mel.creighton@southampton.gov.uk | | |
| **STATEMENT OF CONFIDENTIALITY** | | | | |
| NOT APPLICABLE | | | | |

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| **BRIEF SUMMARY** | | |
| The purpose of this report is to inform the Governance Committee and Full Council of the treasury management (TM) activities and performance for 2018/19 against the approved prudential indicators for external debt and treasury management. | | |
| **This report specifically highlights that:** | | |
| | (i) | Borrowing activities have been undertaken within the borrowing limits approved by Council on 21 February 2018. |
| | (ii) | Current investment strategy is to continue to diversify into more secure and/or higher yielding asset classes and move away from the increasing risk and low returns gained from short term unsecured bank investments. Returns during 2018/19 are expected to be £1.48M at an average rate of 3.9%. |
| | (iii) | The council's strategy was to minimise borrowing to below its capital financing requirement (CFR). This approach lowers interest costs, reduces credit risk and relieves pressure on the council's counterparty list. Throughout the year, capital expenditure levels, market conditions and interest rate levels are monitored to ensure we borrow at the optimum point in order to minimise borrowing costs over the medium to longer term and to maintain stability. |
| | (iv) | The differential between borrowing costs and investment earnings continued to be acute. This has resulted in the use of internal resources often being the most cost effective means of financing capital expenditure. The TM strategy for 2018/19 was to continue to borrow in the short term markets to take further advantage of the current interest environment and we currently have £32M of short term borrowing but this is expected to rise to £78M by the end of the year. |
| | (v) | In achieving interest rate savings the Council is exposed to interest rate risk by taking out variable debt. This was and continues to be very financially favourable in a lower interest environment but does mean that close monitoring of the markets is required to ensure that |

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| | | the council can act quickly should the situation begin to change. During October there was volatility in the markets due to Britain exiting the EU and other external factors, this resulted in an unexpected rise in the PWLB rate. The rate has since fallen back to some extent. |
| | (vi) | Net loan debt decreased during the period from £251M to £246M as detailed Table 2, but is expected to rise to £311M (£60M) to finance the capital programme and other cash flow movements. |
| | (vii) | The housing borrowing cap was formally removed on 29 October 2018 with the publication of the Limits on Indebtedness (Revocation) Determination 2018. |
| | (viii) | There has been full compliance with the Prudential Indicators approved by Full Council on 21 February 2018 |
| **RECOMMENDATIONS:** | | |
| **GOVERNANCE COMMITTEE** | | |
| **It is recommended that Governance committee:** | | |
| | (i) | Note the current and forecast position with regards to these indicators and approve any changes. |
| | (ii) | Notes that the continued proactive approach to TM has led to reductions in borrowing costs and safeguarded investment income during the year. |
| | (iii) | Notes the cost implications of the capital programme on the council as detailed in table 4. These have been taken into account in the revenue budget. |
| | (iv) | Endorses the recommendation to Full Council to continue to delegate authority to the S151 Officer to make any future changes which benefit the authority and to report back at the meeting of the Governance committee on 11 February 2019. |
| **COUNCIL** | | |
| **It is recommended that Council:** | | |
| | (i) | Note the current and forecast position with regards to these indicators and approve any changes. |
| | (ii) | Notes that the continued proactive approach to TM has led to reductions in borrowing costs and safeguarded investment income during the year. |
| | (iii) | Notes the cost implications of the capital programme on the council as detailed in table 4. These have been taken into account in the revenue budget. |

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| | (iv) | Continues to delegate authority to the S151 Officer to make any future changes which benefit the authority and to report back at the meeting of Full Council on 11 February 2019. |
| **REASONS FOR REPORT RECOMMENDATIONS** | | |
| 1. | The Treasury Management Code requires public sector authorities to determine an annual TM Strategy and now, as a minimum, formally report on their treasury activities and arrangements at mid-year and after the year-end. These reports enable those tasked with implementing policies and undertaking transactions to demonstrate they have properly fulfilled their responsibilities, and enable those with charged with governance of the TM function to scrutinise and assess its effectiveness and compliance with policies and objectives. | |
| **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED** | | |
| 2. | No alternative options are relevant to this report. | |
| **DETAIL (Including consultation carried out)** | | |
| **CONSULTATION** | | |
| 3. | Not applicable. | |
| **BACKGROUND** | | |
| 4. | The Local Government Act 2003 introduced a system for borrowing based largely on self-regulation by local authorities. The authority adopted this system 19 February 2003. The basic principle of the new system is that local authorities will be free to borrow as long as their capital spending plans are affordable, prudent and sustainable. | |
| 5. | Following consultation in 2017, Chartered Institute of Public Finance and Accountancy (CIPFA) published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice (TM Code). The Ministry of Housing, Communities and Local Government (MHCLG) also published its revised Investment Guidance which came into effect from April 2018. | |
| 6. | CIPFA's TM Code requires that authorities report on the performance of the treasury management function at least twice a year (mid-year and final outturn position). | |
| 7. | Overall responsibility for treasury management remains with the Council. No TM activity is without risk; the effective identification and management of risk are integral to the council's treasury management objectives. The council has borrowed and invested substantial sums of money and is exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk. | |
| 8. | This report; | |
| | a) | is prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code; |
| | b) | presents details of capital financing, borrowing and investment transactions; |
| | c) | reports on the risk implications of treasury decisions and transactions; |
| | d) | gives details of the forecast outturn position on treasury management transactions in 2018/19; and |

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| | e) | confirms compliance with treasury limits and Prudential Indicators. |

9. The TM Strategy for 2018/19 was approved by Full Council on 21 February 2018.

10. Appendix 1 summarises the economic outlook and events in the context of which the council operated its treasury function during the first half of 2018/19 and the council's adviser's (Arlingclose) assessment outlook for interest rates for the remainder of the year.

**TREASURY MANAGEMENT SUMMARY**

11. At the start of the financial year the council had a net borrowing requirement of £194.62M. This is expected to increase at the end of the year to £239.8M The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with balances and useable reserves, are the core drivers of TM activity and the forecast change is summarised in table 1 below. The movement in year between the CFR is detailed in Appendix 2, section 2.

***Table 1 – Movement in Underlying Borrowing Requirement***

| | 31/03/2018 Actual £M | 2018/19 Forecast Movement £M | 31/03/2019 Forecast £M |
|---|---|---|---|
| General Fund CFR | 322.03 | 24.47 | 346.50 |
| Housing CFR | 157.92 | 13.25 | 171.17 |
| **Total Opening CFR** | **479.95** | **37.72** | **517.67** |
| Less Other Long Term Liabilities* | (73.39) | 2.46 | (70.93) |
| **Borrowing CFR** | **406.56** | **40.18** | **446.74** |
| Less Usable Reserves | (146.28) | 5.00 | (141.28) |
| Less Working Capital | (65.66) | 0.00 | (65.66) |
| **Net Underlying Borrowing Requirement** | **194.62** | **45.18** | **239.80** |

** finance leases, PFI liabilities and Transferred debt that form part of the authority's total debt*

12. The underlying need to borrow is expected to rise during the year due to the delivery of the capital programme and an expected reduction in usable reserves.

13. The forecast movement in coming years is one of the prudential indicators (PIs). The movement in actual external debt and usable reserves combine to identify the actual council's borrowing requirement and potential investment strategy in the current and future years.

14. Gross debt at the beginning of the year and expected movements is detailed in Appendix 2, section 2.

15. The treasury management position at 30 September 2018 and the change during the period is show in table 2 below.

| | *Table 2 – Treasury Management Summary* |
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| | 31/03/2018 Balance £M | Movement In year £M | 30/09/2018 Balance £M | Average Yield/Rate % | 31/03/2019 Forecast £M |
|---|---|---|---|---|---|
| Long-term borrowing (Table 4) | 217.81 | (5.73) | 212.08 | 3.44 | 206.34 |
| Short-term borrowing (Table 4) | 33.35 | (0.99) | 32.36 | 0.68 | 78.22 |
| **Total Borrowing** | **251.16** | **(6.72)** | **244.44** | **3.32** | **284.56** |
| Long-term Investments (Bonds) | (6.80) | 0.78 | (6.02) | 3.20 | (6.02) |
| Long-term Investments (Property Fund) | (27.00) | 0.00 | (27.00) | 4.52 | (27.00) |
| Short-term Investments | (13.14) | 11.54 | (1.60) | 1.21 | (1.60) |
| Cash & cash equivalents | (26.48) | (9.56) | (36.04) | 0.68 | (10.00) |
| **Total Investments** | **(73.42)** | **2.76** | **(70.66)** | **3.90** | **(44.62)** |
| **Net Borrowing** | **177.74** | **(3.96)** | **173.78** | | **239.94** |
| **Long Term Liabilities** | | | | | |
| PFI Schemes | 58.84 | (1.05) | 57.79 | 9.04 | 56.74 |
| Deferred Debt Charges (HCC) | 14.37 | (0.09) | 14.28 | 2.74 | 14.19 |
| **Net Debt** | **250.95** | **(5.10)** | **245.85** | | **310.87** |

## BORROWING STRATEGY AND MOVEMENT DURING PERIOD

16. The council's chief objective when borrowing has been 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 council's long-term plans change being a secondary objective.

17. In undertaking of these objectives, no new long term borrowing had been taken during the year to date and short borrowing has been kept to a minimum. This strategy enables the council to reduce net borrowing costs and reduce overall treasury risk.

18. The benefits of internal borrowing are monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Our advisors, Arlingclose, assists the council with this 'cost of carry' and breakeven analysis.

19. ***Table 3 - Estimated Movement in Borrowing Requirement***

| | 2018/19 Forecast £M | 2019/20 Forecast £M | 2020/21 Forecast £M | 2021/22 Forecast £M |
|---|---|---|---|---|
| **General Fund (GF)** | | | | |
| Capital Programme | 31.97 | 9.48 | 11.63 | 11.96 |
| Maturing Debt | 11.55 | 62.60 | 20.10 | 11.44 |
| Movement in Internal Borrowing | 5.00 | 5.00 | 5.00 | 5.00 |
| Less Repayment of Debt Principal | (5.04) | (6.20) | (6.06) | (6.18) |
| **GF Borrowing Requirement** | **43.48** | **70.87** | **30.68** | **22.22** |
| **HRA Borrowing Requirement*** | 34.38 | 72.41 | 19.26 | 0.00 |
| **Total Borrowing Requirement** | **77.87** | **143.28** | **49.94** | **22.22** |

**Please see table 13 in Appendix 2 for breakdown and impact on HRA limit on Indebtedness*

20. The PWLB remains the Council's preferred source of long term borrowing given the transparency and control that its facilities continue to provide. However due to the continued depressed markets and the 'cost of carry' associated with long term debt, the Council deferred long term borrowing and has continued to use internal resources to finance the capital programme. This will be kept under review during 2018/19 with the need to resource an

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| | increasing capital programme. Table 4 below shows the expected movement in our long and short borrowing during 2018/19. |
| 21. | ***Table 4 - Estimated Movement in Borrowing during 2018/19*** |

| | Long Term £M | Short Term £M | Total £M |
|---|---|---|---|
| Balance brought forward (*Table 2*) | 217.81 | 33.35 | 251.16 |
| Estimated debt to be raised in year | | 78.22 | 78.22 |
| Maturing Debt | (11.47) | (33.35) | (44.82) |
| **Estimated debt at 31 March** | **206.34** | **78.22** | **284.56** |

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| 22. | As detailed above the main increase in our borrowing requirement is as a result of new capital spend, Table 5 below shows the impact of this on borrowing costs. |

***Table 5 - Estimated incremental cost to the council of capital programme financed through borrowing***

| GF Capital Programme Borrowing and Estimated Costs | 2018/19 Forecast £M | 2019/20 Forecast £M | 2020/21 Forecast £M | 2021/22 Forecast £M |
|---|---|---|---|---|
| Capital Programme (*Table 3*) | 31.97 | 9.48 | 11.63 | 11.96 |
| **Estimated debt management costs (7%)** | **2.24** | **0.66** | **0.81** | **0.84** |

**Loans at Variable Rates**

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| 23. | Included within the debt portfolio is £35M of PWLB variable rate loans which are predicted to average a rate of 0.76% this helps to mitigate the impact of changes in variable rates on the council’s overall treasury portfolio (the council’s investments are deemed to be variable rate investments due to their short-term nature). These loans mature in 2020 and this strategic exposure to variable interest rates will need to be reviewed. |

**Internal Borrowing**

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| 24. | Given the pressures on the revenue budget and significant reduction in revenue support grant, the strategy for 2018/19 was to minimise the cost of TM by keeping debt interest payments as low as possible without compromising the longer-term stability of the portfolio. |
| 25. | As at the 31 March 2018 the council used £155M of internal resources in lieu of borrowing which has been the most cost effective means of funding past capital expenditure to date. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium term and the Council will need to borrow to cover this amount as balances fall. |
| 26. | As short-term interest rates have remained low, and are likely to remain low at least over the forthcoming year it is more cost effective in the shortterm to use internal resources rather than borrowing. |
| 27. | The benefits of this are monitored regularly against the potential for incurring additional costs by deferring borrowing into future years. Our advisors assist with this ‘cost of carry’ and breakeven analysis. |

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| **Lender's Option Borrower's Option Loans (LOBOs)** | |
| 28. | The council holds £9M of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the council has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS had options during the year, none of which were exercised by the lender, but if they were it is likely that they would be replaced by a PWLB loan. |
| **Debt Rescheduling** | |
| 29. | The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the council's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence. |
| **Other Debt Activity** | |
| 30. | Although not classed as borrowing the council holds debt for prior year's activity relating to private finance initiatives and transferred debt which will be reduced by £1M during the year to £71M. |
| **INVESTMENT ACTIVITY** | |
| 31. | Both the CIPFA and DCLG's Investment Guidance requires the council to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield. |
| 32. | The council has held significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the first half of 2018/19 the council's investment balances have ranged between £58M and £99M and was £71M as at 30 September 2018. Movement in year to date and the forecast position for year end is summarised in table 2 above. |
| 33. | Security of capital has remained the council's main investment objective. This has been maintained by following the counterparty policy set out in the TM Strategy Statement for 2018/19. The council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio, which is supplied by our advisors. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. |

| | Target | Actual |
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| Portfolio average credit rating | A | AA- |

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| 34. | Counterparty credit quality was assessed and monitored with reference to credit ratings (the council's minimum long-term counterparty rating is A-) across rating agencies Fitch, S&P and Moody's); for financial institutions analysis of funding structure and susceptibility to bail-in, credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. The council also used secured investments products that provide collateral in the event that the counterparty cannot meet its obligations for repayment. |
| 35. | The table below summarises the council's investment portfolio at 30 September 2018 by credit rating and confirms that all investments were made in line with the council's approved credit rating criteria: |

*Table 6: Credit ratings of Investments held at 30 September 2018*

| Credit Rating | Long Term | | Short Term | | Total | |
|---|---|---|---|---|---|---|
| | 31/03/2017 | 30/09/2018 | 31/03/2017 | 30/09/2018 | 31/03/2017 | 30/09/2018 |
| | £M | £M | £M | £M | £M | £M |
| AAA | 7.86 | 6.02 | 0.15 | 1.60 | 8.01 | 7.62 |
| AA+ | | | 13.36 | | 13.36 | 0.00 |
| AA | | | 6.91 | 0.02 | 6.91 | 0.02 |
| AA- | | | 11.20 | 25.98 | 11.20 | 25.98 |
| A+ | | | 7.45 | 5.53 | 7.45 | 5.53 |
| A | | | | 4.51 | 0.00 | 4.51 |
| A- | | | | | 0.00 | 0.00 |
| Unrated pooled funds | 27.00 | 27.00 | 0.29 | | 27.29 | 27.00 |
| **Total Investments** | **34.86** | **33.02** | **39.36** | **37.64** | **74.22** | **70.66** |

## Liquidity Management

36. In keeping with the MHCLG's Guidance on Investments, the council maintained a sufficient level of liquidity through the use of money market funds and call accounts. There is no perceived risk that the council will be unable to raise finance to meet its commitments. The council also has to manage the risk that it will be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates. The council would only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities. The maturity analysis of the Council's debt at 30 September 2018 can be seen in Table 6 of Appendix 2.

## Externally Managed Funds

37. The council has invested £27M in property funds which offer the potential for enhanced returns over the longer term, but will be more volatile in the shorter term. These funds are managed by professional fund managers this allows diversification into asset classes other than cash without the need to own and manage the underlying investments.

38. During the period 1 April to 30 September the investment returned an average yield of 4.63% against the initial investment and also made a notional "gain" of £0.03M being valued at £27.03M.

39. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the council's 's investment objectives is regularly reviewed.

## Benchmarking

40. The council's advisors undertake quarterly investment benchmarking across its client base. As reported previously our portfolio was more diversified and at higher interest rates than the average as a result of moving into the bond programme earlier than most clients, but there is now more competition for bonds from both government bodies and other local authorities, so opportunities to replace maturing bonds are limited and we will see a fall in suitable instruments. With this in mind, and following discussions with our advisors, it was decided to move more into property funds, which are a longer term investment, and to restrict temporary borrowing reducing short term investments.

41. Since the start of the year our investments in bonds has reduced to £7.62M due to maturities and we have maintained the property funds at £27M, with all

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| | other cash being placed in either money market funds (MMF), instant access bank accounts and £2M in a 180 notice account. As a result we had 43% (£31M) of our overall investment in Money Market Funds which is in line with other Unitary Authorities for this time of year but this is expected to fall during the year. |
| 42. | Due to earlier investment decisions our income return on investments outside of the property fund is 1.05% which is higher than the average of 0.76% whilst still maintaining a higher than unitary average credit rating of AA-. Total income return at 2.38% is also higher than the average for both unitary (1.31%) and LA's (1.17%). Our total investment return at 3.56% is again higher than both the both unitary (1.49%) and LA's (1.25%) across Arlingclose's client base and is mainly due to the investments made in property funds. As previously reported the value of the funds are more volatile and can go down as well as up but are less risky than buying individual properties and do not constitute capital spend and it is the income return at 4.23% that is the driver to invest. |
| **Non-Treasury Investments** | |
| 43. | The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the council as well as other non-financial assets which the council holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return, such as Investment Property. |
| 44. | Work is currently being undertaken to assess the impact of on the council and will be reported in the Investment Strategy report presented to Council in February 2019. |
| **COMPLIANCE WITH PRUDENTIAL INDICATORS** | |
| 45. | It can be confirmed that for the period 1April 2018 to 30 September 2018 the council has complied with the prudential indicators approved by Full Council on 21 February 2018. |
| 46. | In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary of TM activity over the period 1 April to 30 September 2018. A prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield. The table below summarises the key prudential indicators. |
| 47. | ***Table 7: Key Prudential Indicators*** |

| Indicator | Limit | Actual at 30/9/2018 |
|---|---|---|
| Authorised Limit for external debt | £860M | £321M |
| Operational Limit for external debt | £780M | £321M |
| Limit of fixed interest debt | 100% | 82% |
| Limit of variable interest debt | 50% | 18% |
| Limit for Non-specified investments | £55M | £35M |

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| 48. | Appendix 2 details performance against the other approved prudential indicators. |
| **OTHER ITEMS** | |
| **Removal of HRA Capital Cap** | |
| 49. | Local authorities are currently required to report the level of the HRA CFR compared to the level of debt which was imposed as part of implementation of self-financing, which for the council was set at £199.6M. This cap was formally removed on 29 October 2018 with the publication of the Limits on Indebtedness (Revocation) Determination 2018. |
| 50. | The implications of the removal of the cap, together with any additional prudential indicators required, is currently being considered and will be reported reported to Full Council in February 2019. |
| **Training** | |
| 51. | The needs of the council's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. During 2018/19 to date, staff have attended training courses, seminars and conferences provided by our advisors (Arlingclose) and CIPFA. |
| 52. | Our advisors Arlingclose undertook training for members in July 2018. |
| **RESOURCE IMPLICATIONS** | |
| **Capital/Revenue** | |
| 53. | This report is a requirement of the TM Strategy, which was approved at Full Council on 21 February 2018. |
| 54. | The table below outlines the current budget and forecast position. |

| | 2018/19 Budget £M | 2018/19 Forecast £M | 2019/20 Budget £M | 2020/21 Budget £M |
|---|---|---|---|---|
| Net interest cost | 4.87 | 4.87 | 10.60 | 13.27 |
| MRP | 6.08 | 5.95 | 6.64 | 6.27 |

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| 55. | The forecast for net interest costs has remained in line with the budget however this could change due to uncertainty over the exit from the European Union and other external factors, which have an impact on interest rates. There has been a slight reduction in expected MRP for 2018/19 costs due to slippage in the capital programme. |
| 56. | The revenue and capital implications are considered monthly as part of ongoing monitoring which is reported to Cabinet each quarter. |
| **Property/Other** | |
| 57. | None. |
| **LEGAL IMPLICATIONS** | |
| **Statutory power to undertake proposals in the report:** | |

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| 58. | Local Authority borrowing is regulated by Part 1, of the Local Government Act 2003, which introduced the new Prudential Capital Finance System. From 1 April 2004, investments are dealt with, not in secondary legislation, but through guidance. Similarly, there is guidance on prudent investment practice, issued by the Secretary of State under Section 15(1)(a) of the 2003 Act. A local authority has the power to invest for "any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs". The reference to the "prudent management of its financial affairs" is included to cover investments, which are not directly linked to identifiable statutory functions but are simply made in the course of treasury management. This also allows the temporary investment of funds borrowed for the purpose of expenditure in the reasonably near future; however, the speculative procedure of borrowing purely in order to invest and make a return remains unlawful. |
| **<u>Other Legal Implications</u>:** | |
| 59. | None. |
| **RISK MANAGEMENT IMPLICATIONS** | |
| 60. | Not Applicable |
| **POLICY FRAMEWORK IMPLICATIONS** | |
| 61. | This report has been prepared in accordance with the CIPFA Code of Practice on TM. |

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| **KEY DECISION?** | No |
| **WARDS/COMMUNITIES AFFECTED:** | NONE |
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| **<u>SUPPORTING DOCUMENTATION</u>** | |
| **Appendices** | |
| 1. | 2018/19 Economic Background |
| 2. | Compliance with Prudential Indicators During 2018/19 |
| 3. | Glossary of Treasury Terms |
| **Documents In Members' Rooms** | |
| 1. | None. |
| **Equality Impact Assessment** | |
| Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out. | ~~Yes~~/No |
| **Privacy Impact Assessment** | |
| Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out. | ~~Yes~~/No |
| **Other Background Documents**<br>**Equality Impact Assessment and Other Background documents available for inspection at:** | |
| Title of Background Paper(s) | Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable) |

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| 1. | None | |