Gedling
Borough Council

Report to Cabinet

Subject: Prudential Code Indicator Monitoring 2019/20 and Quarterly Treasury Activity Report for Quarter ended 30 September 2019

Date: 7 November 2019

Author: Deputy Chief Executive and Director of Finance

Wards Affected

All

Purpose

To inform Members of the performance monitoring of the 2019/20 Prudential Code Indicators, and to advise Members of the quarterly Treasury activity as required by the Treasury Management Strategy.

Key Decision

This is not a key decision.

Recommendation

That:

1. Members note the report, together with the Treasury Activity Report 2019/20 for Quarter 2 at Appendix 1, and the Prudential and Treasury Indicator Monitoring 2019/20 for Quarter 2, at Appendix 2.

Background

1.1 The Council is required by regulations issued under the Local Government Act 2003 to report on its Prudential Code indicators and treasury activity. This report 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).

1.2 For 2019/20 the minimum reporting requirements are that the Full Council should receive the following reports:

- An annual Treasury Strategy in advance of the year (the TMSS, considered by Cabinet on 14 February 2019 and subsequently approved by Full Council on 4 March 2019);
- A mid-year treasury update report (this report);
- An annual review following the end of the year describing the activity compared to the Strategy.

In accordance with best practice, quarterly monitoring reports for treasury activity are provided to Members, and this exceeds the minimum requirements.

1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report provides details of the position at 30 September 2019 and highlights compliance with the Council's policies.

Proposal

2.1 Economic update

UK - The first half of 2019 has seen much political upheaval, with the resignation of Theresa May as Prime Minster, and the selection of Boris Johnson as her replacement - on a platform of the UK leaving the European Union (EU) on 31 October, with or without a deal. In September, Mr Johnson's proroguing of Parliament was overturned by the Supreme Court and Parliament carried a bill to delay Brexit until 31 January 2020 if there is no deal by 31 October. MPs also voted down holding a general election before 31 October, although one is still possible before the end of 2019. There has so far been no majority of MPs for any one option to move forward on enabling Brexit to be implemented, and the situation remains fluid. Given these circumstances, interest rate forecasts are subject to material change as the situation evolves. If the UK agrees a Brexit deal with the EU, it is possible that growth could recover relatively quickly. The Monetary Policy Committee (MPC) might then need to address the issue of whether to raise Bank Rate when there is very little slack left in the labour market - this could cause wage inflation to accelerate which would then feed through into general inflation. However, if there was a no-deal Brexit and there was a significant level of disruption to the economy, growth could weaken even further and the MPC would be likely to cut Bank Rate in order to support growth. With Bank Rate still at only 0.75%, it has relatively little room to make a significant impact, and the MPC would probably suggest that it was up to the Chancellor to provide help to support growth by way of a fiscal boost by, for example, tax cuts and increases in government spending on infrastructure projects to boost the economy.

Economic growth fell during the first half of the year as Brexit uncertainty persisted. In its 1 August Inflation Report, the Bank of England was pessimistic about the outlook for both the UK and major world economies. The 19 September MPC meeting re-emphasised concern about the downturn in world growth, and expressed concern that prolonged Brexit uncertainty would contribute to a build-up of spare capacity in the UK economy, especially in the context of a downturn in world growth. This mirrored investor concerns around the world, with an expectation of a significant downturn in some major developed economies. It was therefore no surprise that the MPC left Bank Rate unchanged at 0.75%, and there is unlikely to be any change until there is some Brexit clarity. It is however worth noting that the new Prime Minister is making significant promises on spending commitments and a relaxation in the austerity programme. This will provide some support to the economy and take pressure off the MPC to cut Bank Rate to support growth.

CPI inflation has been around the Bank of England's 2% target during most of 2019, but fell to 1.7% in August. It is likely to remain close to 2% over the next two years and so does not pose any immediate concern to the MPC. However, if there was a no-deal Brexit, inflation could rise towards 4%, primarily as a result of imported inflation on the back of a weakening pound.

Economic growth (GDP) contracted by 0.2% in Q2 of 2019, however employment continued to rise. There is a suggestion that firms are preparing to expand output, which could lead to a return to positive growth in Q3. Unemployment continued at a 44 year low of 3.8% in July, and vacancies fell for a seventh consecutive month. With unemployment continuing to fall, employers will still have difficulty filling job vacancies with suitable staff. Wage inflation picked up to 3.9% in June before easing back to 3.8% in July, meaning that in real terms, (ie. wage inflation higher than CPI inflation), earnings grew by about 2.1% in Q2. As the UK economy is largely services sector driven, an increase in household spending power is likely to feed through into providing support to the overall rate of economic growth in the coming months. The latest GDP statistics also included a revision of the savings ratio from 4.1% to 6.4% which provides reassurance that consumers' are not over stretched and so will be able to support growth going forward.

USA - President Trump's significant easing of fiscal policy fuelled a temporary boost in consumption which generated an upturn in the rate of strong growth to 2.9% in 2018. Growth in 2019 has fallen back to 2% in Q2 after a strong 3.1% in Q1, and Q3 is expected to fall further. Strong growth in employment during 2018 has reversed into a falling trend during 2019, indicating that the economy is cooling, while inflationary pressures are also weakening. The Federal Reserve (Fed) finished its series of increases in rates to 2.25 - 2.50% in December 2018. In July 2019, it cut rates by 0.25%

as a “mid-term” adjustment, but indicated that this was not to be seen as the start of a series of cuts to ward off a downturn in growth. It also ended its programme of quantitative tightening in August. The Fed then cut rates again in September to 1.75% - 2.00%, and is thought likely to cut another 0.25% in December. Investor confidence has been adversely affected by President Trump’s increases in tariffs on Chinese imports, and China has responded with increases in tariffs on American imports. This trade war is seen as depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China.

EUROZONE - The annual rate of growth for 2018 was 1.8%, but this is expected to fall to around half that rate in 2019, with growth of 0.4% in Q1 and 0.2% in Q2. German growth fell to just 0.1% in Q2, and Germany would be particularly vulnerable to a no-deal Brexit, which could depress exports further, and also vulnerable to the imposition of tariffs on EU produced cars by President Trump. The European Central Bank (ECB) ended its programme of quantitative easing in December 2018, which meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in Eurozone growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0% to 2% has prompted the ECB to take new measures to stimulate growth. At its March meeting it indicated that it expected to leave interest rates at their present levels “at least to the end of 2019”, but this was of little help to boosting growth in the near term. Consequently, it announced a third round of targeted longer-term refinancing operations, whereby banks are provided with cheap borrowing, every three months from September 2019 until March 2021 - which means that the ECB is making funds available until 2023, two years later than under its previous policy. The recent downturn in Eurozone and world growth has led to a resumption of quantitative easing, although the ECB has indicated that governments will also need to stimulate growth by fiscal policy.

CHINA - Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus and medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. Progress is also needed with the elimination of excess industrial capacity, and the switch of investment from property, construction and infrastructure to consumer goods production. The trade war with the US does not currently appear to have had a significant effect on GDP growth, as some of the impact of tariffs has been offset by falls in the exchange rate and by transhipping

exports through other countries, rather than directly to the US.

WORLD GROWTH – The trade war between the US and China on tariffs is a major concern not only for financial markets and for China itself, but also for world growth, as any downturn in China will impact countries supplying raw materials to it. Concern is focused on the synchronised general weakening of growth in the major world economies, compounded by fears that there could even be a recession looming up in the US. If there was a major worldwide downturn in growth, central banks in most of the major economies would have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries apart from the US, and there are concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing by central banks.

2.2 Interest rate forecast

The Council's treasury advisers, Link Asset Services (LAS) undertook its last review of interest rate forecasts on 5 August 2019, and currently anticipate the next increase in Bank Rate to be around December 2020.

Following the August 2018 increase in Bank Rate to 0.75%, the MPC has put any further action on hold, probably until the uncertainty around Brexit lessens and there is some degree of certainty around where the UK is heading. LAS's central assumption remains that there will be some form of agreement on a reasonable form of Brexit, however if this is not the case this may prompt the MPC to make an immediate cut of 0.5% in Bank Rate, taking it back to 0.25%. All other forecasts for investment and borrowing rates would also have to change. At its September meeting the MPC expressed further concern about world growth, and the effect that prolonged Brexit uncertainty is likely to have on world growth.

One potential danger is that unconventional monetary policy since 2008 ie. ultra-low interest rates and quantitative easing, may ultimately do more harm than good through prolonged use. Low interest rates have encouraged a debt-fuelled boom, which now makes it harder for economies to raise interest rates.

Another risk, both upside and downside, is that all central banks are now working in very different economic conditions to those which existed before the 2008 financial crash, as there has been a major increase in consumer and other debt due to the exceptionally low borrowing rates that have prevailed for eleven years. This means that the neutral rate of interest in an economy (ie. one that is neither expansionary of deflationary) is difficult to determine definitively in the new environment, and although central banks have stated that they expect it to be much lower than before 2008, there is

a risk that they may over-increase or over-decrease that rate.

The overall balance of risk to economic growth in the UK is probably to the downside due to the weight of uncertainty around Brexit. The balance of risk to increases in Bank Rate and shorter term PWLB rates are broadly similar, and to the downside.

Link Asset Services (LAS) have provided the following forecast:

Link Asset Services Interest Rate View											
	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25
3 Month LIBID	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20
6 Month LIBID	0.80	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40
12 Month LIBID	1.00	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60
5yr PWLB Rate	1.20	1.30	1.50	1.60	1.70	1.70	1.80	1.90	2.00	2.00	2.10
10yr PWLB Rate	1.50	1.60	1.80	1.90	2.00	2.00	2.10	2.20	2.30	2.30	2.40
25yr PWLB Rate	2.10	2.30	2.40	2.50	2.60	2.70	2.70	2.80	2.90	3.00	3.00
50yr PWLB Rate	2.00	2.20	2.30	2.40	2.50	2.60	2.60	2.70	2.80	2.90	2.90

2.3 Investment strategy

The Treasury Management Strategy Statement (TMSS) for 2019/20, which includes the Annual Investment Strategy, was approved by Council on 4 March 2019, and sets out the Council's investment priorities as:

- security of capital;
- liquidity;
- yield.

Whilst the Council will always seek to obtain the optimum return (yield) on its investments, this will at all times be commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate either to keep investments short term to cover cash flow needs, or to extend the period up to 12 months with highly rated financial institutions, selected by the use of the LAS creditworthiness methodology (see below) which includes consideration of sovereign ratings.

Investment counterparty limits for 2019/20 are generally **£3m** per individual counterparty, however a higher limit of **£4m** per Money Market Fund is considered prudent since such funds are already by definition highly diversified investment vehicles. There is no limit on Investment with the Debt Management Office (DMO) since this represents borrowing from central government. The Chief Financial Officer has delegated authority to

vary these limits as appropriate, and to report any change to Cabinet as part of the next quarterly report. The limits have not been exceeded during the period 1 April to 30 September 2019.

Credit ratings advice is taken from LAS and the Chief Financial Officer has adopted the LAS credit rating methodology for the selection of investment counterparties. This employs a sophisticated modelling approach utilising credit ratings from all three of the main rating agencies to give a suggested maximum duration for investments. Accordingly it does not place undue reliance on any one agency's ratings.

The methodology subsequently applies an "overlay" to take account of positive and negative credit watches and/or credit outlook information, which may increase or decrease the suggested duration of investments. It then applies a second overlay based on the credit default swap spreads for institutions, the monitoring of which has been shown to give an early warning of likely changes in credit ratings. It also incorporates sovereign ratings to ensure selection of counterparties from only the most creditworthy countries. The current Treasury Strategy permits the use of any UK counterparties <u>subject</u> to their individual credit ratings under the LAS methodology. It also permits the use of counterparties from other countries with a minimum sovereign rating of AA. For information, the UK currently has a rating of AA.

The LAS modelling approach combines all the various factors in a weighted scoring system and results in a series of colour coded bands which indicate the creditworthiness of counterparties. The colour bandings are as follows:

- Yellow 5 years (UK Government debt or its equivalent)
- Dark pink 5 years for Ultra Short Dated Bond Funds (credit score 1.25)
- Light pink 5 years for Ultra Short Dated Bond Funds (credit score 1.50)
- Purple 2 years
- Blue 1 year (nationalised or semi nationalised UK banks only)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Credit ratings are monitored weekly and the Council is also alerted to interim changes by its use of the LAS creditworthiness service, however ratings under the methodology, including sovereign ratings, will not necessarily be the <u>sole</u> determinant of the quality of an institution. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The ultimate decision on what is prudent and manageable for the Council will be taken by the Chief Financial Officer under the approved scheme of delegation.

2.4 Treasury Activity during Quarter 2 of 2019/20

The Treasury Activity Report for the quarter ended 30 September 2019 is attached at Appendix 1, in accordance with the Treasury Management Strategy.

Members will note that investment interest of £93,445 was generated from MMF activity, term deposits with banks and building societies, and the property fund, during the period from 1 April to 30 September 2019. This represents an overall equated rate for the Council of 1.09% and outperforms the benchmark 7 day LIBID rate, which averaged 0.57% for the same period. In cash terms this represents additional income to the General Fund of around £44,600 and was achieved by positive investment management, and in particular a favourable return on the property fund. Performance in respect of the longer 3 month LIBID rate, which averaged 0.66%, still represents additional income of £36,900.

During the period from 1 April to 30 September 2019, significant use was made of the Council's two Money Market Funds (MMFs). These are AAA rated investment vehicles which allow the pooling of many billions of pounds into highly diversified funds, thus reducing risk. The current rate of return on these funds is around 0.68%, and this is generally higher than overnight treasury deposit rates, and the rate obtainable from the Debt Management Office (DMO).

The Council made an investment of £1m in the CCLA Local Authority Property Fund (LAPF) on 1 December 2017. The LAPF is a local government investment scheme approved by the Treasury under the Trustee Investments Act 1961 (section 11). Dividends are currently averaging around 3.9% per annum and are treated as revenue income. This investment allows the Council to introduce a property element into its investment portfolio without the risks associated with the direct purchase of assets.

Interest rates in the market remain low, and this is likely to continue in view of the uncertainty surrounding Brexit. As loans mature every effort is made to replace them at favourable rates, however security and liquidity will always be the overriding factors in the Council's treasury management. LAS currently forecast that Bank Rate is unlikely to rise again until December 2020 at the earliest, however there is much uncertainty and interest rates are still expected to rise only gradually, and not significantly.

It is currently anticipated that the outturn for investment interest will be £166,000, an increase of £28,000 on the current approved estimate of £138,000 for 2019/20. The impact of this is included in the Q2 revenue budget monitoring report elsewhere on this agenda.

2.5 New borrowing

No new long-term borrowing was undertaken during the quarter ended 30 September 2019.

The original estimate for 2019/20 assumed borrowing of £2.5m in 2019/20, however £1m of unplanned borrowing was undertaken from the Public Works Loan Board (PWLB) at the end of 2018/19 on the advice of the Council's treasury advisers, in order to take advantage of favourable rates. As a result of ongoing uncertainty around Brexit, rates have since fallen still further and Members are advised that a further £1m of PWLB borrowing was undertaken on 8 October, at a historically low rate of 1.62% for 50 years. No further borrowing is currently anticipated during 2019/20 and PWLB interest payable is expected to be £333,000, a reduction of £5,000 on the current approved estimate of £338,000 for 2019/20. The impact of this is included in the Q2 revenue budget monitoring report elsewhere on this agenda.

In an unexpected move, on 9 October 2019 the PWLB suddenly increased its new borrowing rates by 1% across the board, making the margin above government gilts 1.8% (2% less a discount of 0.2% for the "certainty rate"). The reasoning for this was to broadly restore PWLB borrowing rates to those available during 2018.

The Council has approved a commercialisation programme aimed at the generation of funding to replace central government support which has been withdrawn. Significant additional borrowing may be required to support this commercial programme, and this will be supported by individual business case assessments and appropriate budget approvals, to demonstrate that each project generates a return sufficient to cover any borrowing costs – which are now likely to be higher in the light of the PWLB's action. Advice will be taken from LAS with regard to the amount and timing of any additional borrowing, and should conditions become advantageous, some borrowing in advance of need will also be considered by the Chief Financial Officer.

The Council's Capital Financing Requirement (CFR) represents its underlying need to borrow to finance capital investment. Due to favourable interest rates, borrowing in advance of need is sometimes desirable, with the result that the CFR can differ to the actual borrowing planned in the year. Investment guidance issued in February 2018 reaffirmed that

borrowing in advance of need purely to profit from the investment of the extra sums borrowed, rather than prudent early borrowing for a service objective, is however unlawful.

Whilst borrowing rates remain low even after the 1% increase in PWLB rates, investment rates are also very low, and serious consideration must be given to the cost of carrying any additional borrowing during the period prior to it being required for the financing of capital expenditure since this places a further burden on the General Fund.

2.6 Debt rescheduling

Debt rescheduling opportunities are limited in the current economic climate, and due to the structure of interest rates. Advice in this regard will continue to be taken from LAS. No debt rescheduling has been undertaken during the period from 1 April to 30 September 2019.

2.7 Compliance with Prudential and treasury indicators

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limit. The Council’s approved Prudential and Treasury Indicators (affordability limits) are included in the Treasury Management Strategy Statement (TMSS) approved by Full Council on 4 March 2019.

During the financial year to date the Council has at all times operated within the treasury limits and Prudential Indicators set out in the Council’s TMSS, and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators as at 30 September 2019 are shown at Appendix 2.

A) Prudential Indicators:

These indicators are based on estimates of expected outcomes, and are key indicators of “affordability”. They are monitored on a quarterly basis, and Appendix 2 compares the approved indicators with the projected outturn for 2019/20, and shows variances on the indicators, as described below:

a. Capital Expenditure

The capital programme includes both service related expenditure and commercial property investment.

The latest projected outturn shows that total capital expenditure is expected to be £7,235,900. This differs to the approved indicator of £8,943,500 due to the inclusion of approved carry-forward requests from 2018/19 and

variations on the current year's capital programme including deferral of schemes to 2020/21.

b. Capital Financing Requirement (CFR)

The CFR represents the historic outstanding capital expenditure which has not yet been paid for from capital or revenue resources, and is essentially a measure of the Council's underlying borrowing need. The CFR does not increase indefinitely since the minimum revenue provision (MRP) is a statutory annual revenue charge for the economic consumption of capital assets.

The projected closing CFR for 2019/20 is £13,841,300. This differs to the approved indicator of £15,639,600, due to savings and deferrals on the 2018/19 capital programme, as well as to variations to the capital programme for 2019/20.

c. Gearing ratio

The concept of "gearing" compares the total underlying borrowing need (the CFR) to the Council's total fixed assets and the gearing ratio can provide an early indication where debt levels are rising relative to long term assets held.

The projected gearing ratio is 35%, in line with the approved indicator, and is comparable with the average gearing ratio for councils of a similar size.

d. Ratio of financing costs to net revenue stream – service related and commercial property

These indicators identify the trend in the cost of borrowing net of investment income against the net revenue stream. Financing costs represent the element of the Council's budget to which it is committed even before providing any services.

The projected outturn of 8.52% for service related expenditure differs to the approved indicator of 11.45% due to reduced revenue contributions to capital expenditure; a reduction in MRP arising from savings and deferrals on the capital programme in 2018/19; additional investment interest and a reduction in the PWLB interest payable.

The projected outturn in respect of commercial property is expected to be 0.14%. This differs to the approved indicator of 0.31% due to a reduction in the PWLB interest payable, and additional investment interest.

e. Ratio of commercial property income to net revenue stream

This indicator seeks to demonstrate the extent to which the loss of commercial property income would impact on the Council, ie. to measure the "proportionality" of commercial activity.

The Council is in the early stages of its commercial property investment agenda and no acquisitions had been made at 30 September. The estimated commercial income for 2019/20 has therefore been reduced, and the projected outturn for this indicator has reduced from 0.61% to 0.17%.

f. Maximum gross debt

The Council must ensure that its gross debt does not, except in the short term, exceed the opening capital financing requirement, plus estimates of any additional CFR for 2019/20 and the following two financial years. This allows flexibility for early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. The Council's gross debt at 30 September 2019 was £8.812m which was well within the approved indicator.

g. Ratio of internal borrowing to CFR

The Council is currently maintaining an "internal borrowing" position, ie. the underlying borrowing need (CFR) has not yet been fully funded with loan debt as cash supporting the Council's reserves and balances is being used as a temporary measure.

The projected outturn for internal borrowing is 29%, compared to the approved indicator of 34%. This reduction is due to additional borrowing being undertaken during 2018/19 due to favourable interest rates.

B) Treasury Management Indicators:

These indicators are based on limits, beyond which activities should not pass without management action. They include two key indicators of affordability and four key indicators of prudence.

Affordability:

a. Operational boundary for external debt

This is the limit which external debt is not "normally" expected to exceed. In most cases, this would be a similar figure to the CFR, but it may be lower or higher depending on the levels of actual debt, and must allow for unusual cashflow movements.

b. Authorised limit for external debt

This limit represents a control on the “maximum” level of borrowing. It is the statutory limit determined under s3 (1) of the Local Government Act 2003 and represents the limit beyond which external debt is prohibited. The Authorised Limit must be set, and revised if necessary, by Full Council. It reflects a level of external debt which, while not desirable, could be afforded in the short term, but is not sustainable in the longer term. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

Prudence:

c. Upper limits for the maturity structure of borrowing
These are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.

d. Maximum new principal sums to be invested during 2019/20 for periods in excess of one year (365 days)

All such investments are classified as “non-specified”. This indicator is subject to the overall limit for non-specified investments set out in the TMSS, and to the overall limit per counterparty.

e. Interest rate exposure

The latest Treasury Management Code requires a statement in the TMSS explaining how interest rate exposure is managed and monitored by the Council, and this is repeated below:

The Council has a general preference for fixed rate borrowing in order to minimse uncertainty and ensure stability in the charge to revenue, however it is acknowledged that in certain circumstances, some variable rate borrowing may be prudent, for example if interest rates are expected to fall. The Council's investments are generally for cashflow purposes and accordingly a mix of fixed and variable rates will be used to maximise flexibility and liquidity. Interest rate exposure will be managed and monitored on a daily basis by the Chief Financial Officer.

Local indicators for the proportions of fixed and variable rate loans, have been retained by the Council for information purposes.

Appendix 2 shows the actual position as at 30 September 2019, and demonstrates that all activities are contained within the currently approved limits.

2.8 Other Issues

With the exception of the unexpected 1% increase in PWLB rates on 9 October, referred to in paragraph 2.5 above, no other significant treasury management issues have arisen since approval of the TMSS on 4 March 2019 that should be brought to the attention of Members.

Alternative Options

There are no alternative options in that this report is a requirement of the Council's Treasury Management Strategy Statement (TMSS).

Financial Implications

No specific financial implications are attributable to this report.

Appendices

1. Treasury Activity Report 2019/20 for Quarter 2 (30 September 2019)
2. Prudential and Treasury Indicator Monitoring 2019/20 for Quarter 2 (30 September 2019).

Background Papers

None identified.

Reasons for Recommendation

To comply with the requirements of the Council's Treasury Management Strategy Statement.

For more information, please contact:

Alison Ball, Financial Services Manager, on 0115 901 3980