Gedling Borough Council

Report to Cabinet

Subject: Annual Treasury Activity Report 2019/20

Date: 2 July 2020

Author: Assistant Director - Finance

Wards Affected

All

Purpose

To inform Members of the outturn in respect of the 2019/20 Prudential Code Indicators, and to advise Members of the outturn on treasury activity, both as required by the Council's Treasury Management Strategy.

Key Decision

This is not a key decision.

Recommendation:

That:

1. Members approve the Annual Treasury Activity Report for 2019/20 and refer it to Full Council for approval, as required by the regulations.

1 Background

1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury review of its activities, and the actual Prudential and Treasury Indicators for 2019/20. 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 were that the Full Council should receive the following reports:

- An Annual Treasury Management Strategy Statement (TMSS) in advance of the year. This was considered by Cabinet on 14 February 2019 and subsequently approved by Full Council on 4 March 2019.

- A Mid-Year Treasury Update report. In accordance with best practice, Members will note that, as in previous years, quarterly monitoring reports for treasury activity have been provided, and that this exceeds the minimum requirements.

- An Annual Review following the end of the year describing the activity compared to the strategy. This report is in fulfilment of this requirement.

1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. The Annual Treasury Activity Report provides details of the outturn position for treasury activities during the year, and highlights compliance with the Council's policies, previously approved by Members.

1.4 The Council has complied with the requirement under the Code to give prior scrutiny to all the above treasury management reports by submitting them to Cabinet before they are reported to Full Council.

1.5 Member training on treasury management issues is undertaken by the Chief Financial Officer as it is needed in order to support Members' scrutiny role. In addition, the Council's treasury advisers, Link Asset Services (LAS) periodically deliver more detailed training sessions for Members.

2 Proposal

2.1 <u>Summary of the economy and interest rates during 2019/20</u>

2.1.1 Economic growth was volatile in 2019 at +0.5% in Q1, -0.2% in Q2, +0.5% in Q3, and flat for Q4. This resulted in growth of +1.1% over the year as a whole. Business surveys were optimistic for 2020, but January's results were disappointing, and since then the whole world has changed as a result of the coronavirus pandemic. It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in Q2. Huge uncertainty remains as to how quickly the economy will then recover.

2.1.2 Although the UK left the EU on 31 January 2020 there is still much uncertainty as to whether there will be a reasonable trade deal achieved by the end of the year. It is also unclear as to whether the coronavirus pandemic may yet impact on the deadline of agreeing a deal by 31 December 2020.

2.1.3 The Monetary Policy Committee (MPC) raised Bank Rate from 0.5% to 0.75% in August 2018, but Brexit uncertainty meant that it refrained from further action until March 2020, at which point it was clear that the coronavirus pandemic posed a huge threat to the UK economy and two emergency rate cuts were made, first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in Quantitative Easing (QE).

2.1.4 The Government and the Bank of England have also acted to prevent mass job losses during the lockdown period, imposed to limit the spread of the coronavirus. Accordingly, schemes have been put in place to assist both employed and self-employed workers, together with a raft of measures to help businesses to access loans from their banks – with the Government providing guarantees to the banks against losses. The ratio of debt to GDP is likely to increase from around 80% to 105%.The situation is still evolving and there may yet be further measures put in place.

2.1.5 In the Budget in March 2020 the Government announced a large increase in spending on infrastructure and it is hoped that this will help the economy to recover once the lockdown ends. Provided the coronavirus pandemic is brought under control relatively swiftly, and the lockdown is eased, there is hope for a sharp recovery in the economy, albeit that it will take time to fully recover previously lost momentum.

2.1.6 Inflation is not expected to be an issue in the near future, with the world economy heading into a recession which is already causing a glut in the supply of oil – which has fallen sharply in price. Other prices are also likely to face downward pressure, whilst wage inflation has been falling over the last 6 months - and is likely to continue that trend. Wage inflation has however tended to be higher than CPI inflation, which has increased consumer spending power, and this will have provided support to GDP growth. However, during lockdown when people cannot leave their homes to do non-food shopping, retail sales will take a significant hit.

2.1.7 Employment had been growing healthily through the year, but is now likely to be heading for a significant fall in the coming months.

2.1.8 In the US, Congress agreed a $2trn stimulus package and the Federal Reserve (Fed) could also channel up to $6trn in temporary financing to consumers and businesses over the coming months. However, it is anticipated that this will not stop the US too falling into a sharp recession in Q2 of 2020.

2.1.9 Growth in the Eurozone fell steadily from 1.8% in 2018 to only 0.9% by Q4 of 2019. The European Central Bank (ECB), ended its initial programme of QE in December 2018, however the downturn in growth led them to take new measures in March 2019, and in September it cut deposit rates to negative levels and announced a further round of QE measures to start in November. The ECB then took action in March 2020 to expand its QE operations to help with the expansion of credit and growth in the face of the coronavirus pandemic. What is currently missing is a coordinated EU response of fiscal action to protect jobs, support businesses and promote economic growth across the Eurozone.

2.2 The Council's overall Treasury position at 31 March 2020

The Council's debt and investment position is organised to ensure adequate liquidity for revenue and capital activities, security of investment, and to manage risks within all treasury management activities. At the beginning and end of 2019/20, the treasury position was as follows:

Treasury position:	1 April 2019 £000s	31 March 2020 £000s
Total external debt	8,812	9,812
Capital Financing Requirement (CFR)	10,221	10,313
Over/(under) borrowing to CFR	**(1,409)**	**(501)**
Total external debt	8,812	9,812
Total investments	(13,490)	(14,150)
Net debt/(investment)	**(4,678)**	**(4,338)**

Full details of the Council's borrowing and investments can be found at Appendix 1.

2.3 The Treasury Strategy for 2019/20

2.3.1 The expectation within the treasury strategy for 2019/20 (the TMSS) was that because of Brexit uncertainty, the Monetary Policy Committee (MPC) was unlikely to raise Bank Rate from 0.75% until May 2019. This was expected to be followed by a further rise in February 2020. Medium and longer term fixed rates were expected to rise only gently, but it was noted that due to the uncertainty in the markets, exceptional levels of volatility might prevail. Investment rates were expected to remain low during the year, and to be on only a gently rising trend over the following years. The treasury strategy was therefore to maintain an under-borrowed position, ie. to postpone borrowing to avoid the cost of holding higher levels of investments at rates lower than the cost of the borrowing. It was however noted that care would be needed to ensure that borrowing was not postponed to a point where undertaking it at higher rates would be unavoidable.

2.3.2 In the event the MPC maintained Bank Rate at 0.75% until 11 March 2020 when, in the face of the coronavirus pandemic, it announced a cut to 0.25%. A further cut to 0.10% was announced on 19 March and this rate remains in force.

2.4 The Council's Borrowing Requirement

The Council's underlying need to borrow for capital expenditure is termed the capital financing requirement (CFR), and is a gauge of the Council's indebtedness.

The CFR results from the Council's capital activity, and the resources it uses to pay for that capital spending, and represents unfinanced expenditure that has not yet been paid for from revenue or other resources.

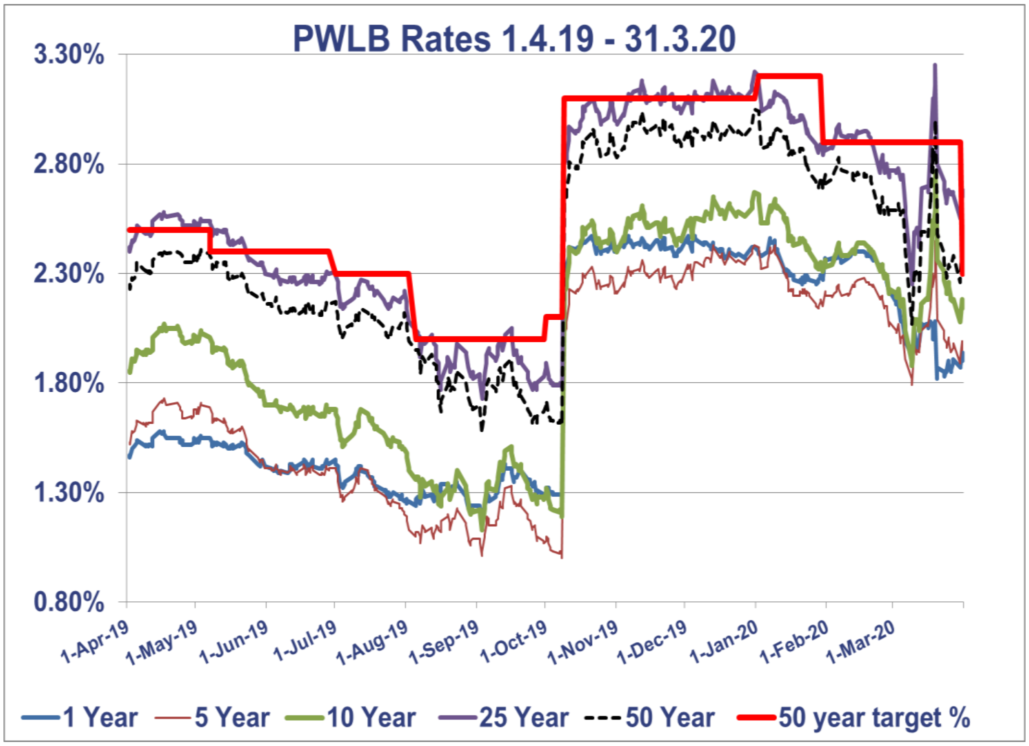
CFR:	1 April 2019 (Actual) £000s	31 March 2020 (Orig. Est-TMSS) £000s	31 March 2020 (Actual) £000s
Capital Financing Requirement	10,221	15,640	10,313

The 2019/20 variance is due to deferrals and savings on the 2018/19 capital programme, both of which reduced the borrowing requirement in that year, and to amendments on the capital programme during 2019/20, including the deferral of schemes to 2020/21.

2.5 Borrowing rates in 2019/20

Medium and longer term fixed borrowing rates were expected to rise only gradually during 2019/20 and the two subsequent financial years. Variable or short term rates were expected to be the cheaper form of borrowing over the period.

The graph below has been provided by the Council's treasury advisers.



PWLB rates are based on, and determined by, UK Government Bond (gilts) yields plus a specified margin determined by HM Treasury. Gilt yields were on a generally falling trend during 2019/20 until the coronavirus pandemic hit western economies. Since then gilt yields have fallen sharply to unprecedented lows.

However, without prior warning, on 9 October 2019 HM Treasury added an additional 1% margin over gilts to <u>all</u> PWLB rates. The PWLB “certainty rate” for which the Council has approval is currently set at gilts plus 180 basis points (ie a 1.8% addition). It is anticipated that there will be little upward movement on PWLB rates over the next two years as it will take national economies a prolonged period to recover the momentum lost in the sharp recession caused by the coronavirus lockdown period.

For illustration, the table below shows the LAS forecasts for interest rates as at 31 March 2020.

Link Asset Services Interest Rate View	31.3.20							
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month LIBID	0.45	0.40	0.35	0.30	0.30	0.30	0.30	0.30
6 Month LIBID	0.60	0.55	0.50	0.45	0.40	0.40	0.40	0.40
12 Month LIBID	0.75	0.70	0.65	0.60	0.55	0.55	0.55	0.55
5yr PWLB Rate	1.90	1.90	1.90	2.00	2.00	2.00	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50

2.6 The Council’s borrowing outturn for 2019/20

2.6.1 One new loan of £1m was raised during 2019/20 at an exceptionally favourable 50-year rate of 1.62%. This loan was agreed on 8 October 2019, at which time there was no indication that HMT would raise rates by 1% overnight, hence it proved to be particularly fortunate transaction. No loans were redeemed during the year.

The Council has embarked upon a commercialisation programme aimed at the generation of funds to replace Revenue Support Grant, which was withdrawn at the end of 2018/19. Significant additional borrowing may be required to support this commercial programme, which will be supported by individual business case assessments to demonstrate that each project generates a return sufficient to cover any borrowing costs. Advice will be taken from LAS with regard to the amount and timing of any additional borrowing, and should conditions become advantageous, some further borrowing in advance of need will also be considered by the Chief Financial Officer.

2.6.2 The Council did not borrow more than, or in advance of its needs, purely to profit from the investment of the extra sums borrowed, and will not do so.

2.6.3 Total outstanding debt at 31 March 2020 was £9.812m. All loans held are repayable on maturity, and are at fixed rates.

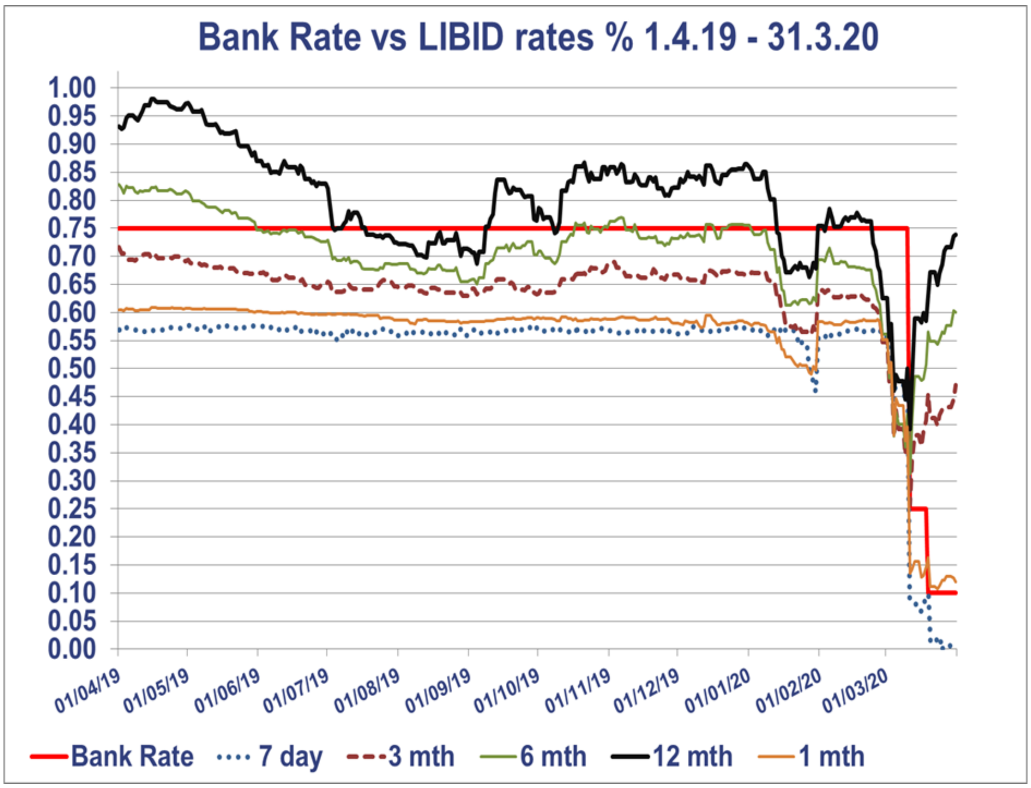
2.6.4 There was no rescheduling of PWLB debt undertaken during the year, as the significant differential between PWLB new borrowing rates and premature repayment rates made such action unviable.

2.6.5 No temporary loans were arranged for cashflow purposes during 2019/20.

2.7 <u>Investment rates in 2019/20</u>

Investment returns remained low in 2019/20. Shorter term rates were fairly flat during most of the year, until two emergency cuts in Bank Rate due to the coronavirus pandemic caused them to fall sharply. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach and investment continues to be dominated by low counterparty risk resulting in relatively low returns compared to borrowing rates.

The graph below has been provided by the Council's treasury advisers.



2.8 <u>The Council's Investment outturn for 2019/20</u>

2.8.1 The Council's investment policy is governed by MHCLG guidance and implemented by the Annual Investment Strategy, which formed part of the TMSS approved by Council on 4 March 2019. This policy sets out the approach for selecting investment counterparties. For 2019/20 the Chief Financial Officer adopted the Link Asset Services (LAS) credit rating methodology, 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. The methodology 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, subject 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.

2.8.2 Whilst credit ratings advice is taken from the treasury advisers, the ultimate decision on what is prudent and manageable for the Council is taken by the Chief Financial Officer under the approved scheme of delegation.

2.8.3 No changes to the TMSS for 2019/20 approved by Council on 4 March 2019 were made during the year.

2.8.4 The Council's investment priorities in 2019/20 remained the security of capital and good liquidity. Whilst the Council always seeks to obtain the optimum return (yield) on its investments, this is at all times commensurate with proper levels of security and liquidity. During the year it remained appropriate either to keep investments short–term to cover cashflow needs, or to take advantage of fixed periods up to twelve months with a small number of selected counterparties. During the current coronavirus pandemic the maintenance of liquidity is clearly even more critical, and investment terms are likely to be kept short.

2.8.5 During 2019/20, significant use was made of two money market funds, achieving annual equated returns of around 0.69% and 0.67% respectively. These funds are AAA rated investment vehicles which allows the pooling of many billions of pounds worth of assets nationally into highly diversified funds, thus reducing the Council's risk.

2.8.6 An investment of £1m was made in the CCLA Local Authority Property Fund (LAPF) on 30 November 2017. This is a local government investment scheme approved by the Treasury under the Trustee Investments Act 1961 (section 11). The equated dividend for 2019/20 was 4.13% and this is treated as revenue income. The investment has allowed the Council to introduce a property element into its investment portfolio without the risks associated with the direct purchase of assets. The main risk around Property Funds is the preservation of the capital sum however evidence from recent years shows that over time the property market has been a positive long-term investment and it is accordingly anticipated that this investment will be held for at <u>least</u> five years to minimise any risk.

2.8.7 Notice has been received from CCLA that the LAPF is currently suspended and that no subscriptions or redemptions can be made. Such suspension is a normal course of action in exceptional market conditions such as those currently being experienced due to the coronavirus pandemic. Valuers cannot be confident that their valuations truly reflect prevailing conditions, and where there is a material risk of disadvantage to <u>either</u> party, all transactions must be suspended until the required level of certainty is re-established. CCLA fully expect the suspension to be temporary, although possibly lasting for several months, and as the property fund is viewed as a long term investment the suspension should not cause undue concern.

2.8.8 The property fund investment purchased a number of units, determined by the unit price on the entry date. This valued the initial investment of £1m at £936,770, setting the implied entry fee at £63,230, or 6.32%. The certified value of the property fund investment at 31 March 2020 was £936,390, reflecting a loss in value of £34,702 during the 2019/20 year. Following changes to accounting arrangements, all movements in the valuation of pooled investment funds must be charged to the Comprehensive Income and Expenditure account (CIES), however a statutory override is in place for a period of five years to ensure that the impact of these on the General Fund are neutralised. Accordingly the difference of £63,610 between the £1m investment and the certified 31 March 2020 value of £936,390 is held in the Pooled Investment Funds Adjustment Account. The loss suffered during 2019/20 effectively means that the value at 31 March 2020 is back to that on entry.

2.8.9 Investment interest of £192,953 (including dividends of £41,339 on the property fund) was generated in the year, representing an equated rate of 1.04%. This outperforms the benchmark average 7 day LIBID rate, which ended the year at 0.54%, and in cash terms represents additional income to the General Fund of £92,800. This was achieved partly as a result of positive investment management, but was largely due to the 4.13% dividend on the Property Fund. Performance in respect of the longer average 3 month LIBID rate, which ended the year at 0.64%, still represents additional income of £74,200. It should be noted that anticipated dividends on the Property Fund are likely to be significantly lower in 2020/21.

2.8.10 Investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties. The investment counterparty limit of £3m (£4m for money market funds) was exceeded only once during the year, when an overnight deposit of £3.85m with HSBC Treasury was specifically approved by the CFO on 28 May 2019.

2.8.11 The Annual Treasury Activity Report for the year ended 31 March 2020 is attached at Appendix 1 in accordance with the TMSS.

2.9 Compliance with Prudential and Treasury Indicators

2.9.1 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 Council on 4 March 2019.

2.9.2 During the financial year 2019/20 the Council has at all times operated within the Prudential and Treasury Management Indicators set out in the Council's TMSS, and in compliance with the Council's Treasury Management Practices. A summary of the outturn position at 31 March in respect of each of the 2019/20 Prudential and Treasury Management Indicators is shown at Appendix 2.

a) Prudential Indicators:

i) Capital Expenditure

Capital expenditure for 2019/20 totalled £3,107,071. This differs to the approved indicator of £8,943,500 due to the inclusion of approved carry forward requests from 2018/19, and variations to the capital programme during 2019/20, which include the deferral of schemes to 2020/21.

ii) Capital Financing Requirement (CFR)

The CFR represents the Council's historic outstanding capital expenditure which has not yet been paid for from capital or revenue resources, and is essentially a measure of the underlying borrowing need. It does not increase indefinitely since the minimum revenue provision (MRP) is a statutory annual revenue charge for the economic consumption of capital assets. The CFR totalled £10,312,644 at 31 March 2020. 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 including the deferral of schemes to 2020/21.

iii) Gearing ratio

The concept of gearing compares the total underlying borrowing need (the CFR) to the Council's total fixed assets, and can provide an early indication when debt levels are rising relative to long term assets held. The Council's gearing ratio at 31 March 2020 was 29.5%, which is lower than the approved indicator of 35% due to the deferral of capital expenditure to 2020/21, but remains broadly comparable with the average gearing ratio for councils of a similar size.

iv) 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 expenditure to which it is committed even before providing any services.

The outturn of 7.70% 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, and additional investment interest.

The outturn in respect of commercial property is nil, which differs to the approved indicator of 0.31% due to the deferral of commercial property investment.

v) Ratio of commercial property to net revenue stream

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

The Council is in the very early stages of its commercial property agenda and no acquisitions had been made by 31 March 2020. Accordingly, the outturn for this indicator is nil, which differs to the approved indicator of 0.61%.

vi) 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. Gross debt at 31 March 2020 was £9.812m which was well within the approved indicator.

vii) 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 outturn for internal borrowing is 5%, which differs to the approved indicator of 34% due to the deferral of capital schemes to 2020/21, reducing the expected “gap” between CFR and external borrowing.

(b) Treasury Management Indicators:

The Treasury Management indicators are based on limits, beyond which activities should not pass without management action, and the Council has operated within these limits at all times during 2019/20. They include two key indicators of affordability and four key indicators of prudence and Appendix 2 demonstrates the outturn position compared to each limit.

Affordability

i) Operational boundary for external debt

This is the limit above which external debt is not “normally” expected to pass. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the level of actual debt. The Operational Boundary has not been exceeded during 2019/20.

ii) Authorised limit for external debt

This limit represents a control on the “maximum” level of borrowing and is the statutory limit determined under s3(1) of the Local Government Act 2003. It 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, whilst neither desirable nor sustainable in the longer term, could be afforded in the short term. The Government retains an option to control either the total of all Councils’ plans, or a specific Council, although this power has not yet been exercised. The Authorised Limit has not been exceeded during 2019/20.

Prudence

iii) Prior to the 2017 revisions to the Treasury Management Code there was a requirement to set indicators for the Council’s maximum exposure to fixed and variable interest rates for net borrowing (ie. external borrowing less investments). This requirement has now been removed in favour of a statement in the TMSS stating how interest rate exposure is managed and monitored by the Council, and this is reproduced below:

The Council has a general preference for fixed rate borrowing in order to minimise 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.

iv) Maximum new principal sums to be invested during 2019/20 for periods in excess of 365 days - such investments are classified as a "non-specified". This indicator is subject to the overall limit for non-specified investments set in the TMSS. In addition to the Council's £1m investment in the CCLA property fund, one additional non-specified investment of £1m was made on 5 August 2019. This investment was classified as non-specified because the initial term was 366 days.

v) Upper limits for the maturity structure of borrowing - set to reduce the Council's exposure to large fixed rate sums falling due for refinancing. These limits have not been exceeded during 2019/20.

2.10 Other Issues

2.10.1 IFRS9

Following the consultation undertaken by the Ministry of Housing, Communities and Local Government (MHCLG) on IFRS9 the Government has introduced a mandatory statutory override requiring local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This will be effective for 5 years from 1 April 2018 to 31 March 2023. The Council is required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override, in order for the Government to keep the override under review and to maintain a form of transparency. This reserve has been named the Pooled Investment Funds Adjustment Account (see 2.8.8 above).

2.10.2 Consultation on changes to the terms of PWLB borrowing

The Government is consulting on revising the terms of PWLB borrowing, including a proposal to block access to all PWLB borrowing in any year in which a local authority's capital programme includes expenditure on an asset purchased purely to obtain yield. The closing date for this consultation has been extended to 31 July in light of the current coronavirus pandemic.

2.10.3 Changes in risk appetite and counterparty limits

The 2018 CIPFA Code and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite, eg. the use of certain investment instruments, this should be brought to Members' attention.

The Council remains averse to risk with the investment of its surplus cash, and has continued to maintain strict limits on the maximum investment with any one counterparty. The only exception to this is investment with the Debt Management Office, whereby the Council is effectively lending to central government.

No specific changes have been made during the year.

2.10.4 Sovereign limits

The UK's sovereign rating was downgraded from AA to AA- in March 2020, reflecting a significant weakening of the UK's public finances caused by the coronavirus pandemic. As discussed at 2.8.1 above the current Treasury Strategy permits the use of any UK counterparties, subject 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.

2.10.5 IFRS16

IFRS 16 is the new accounting standard relating to leases which will bring almost all leases on to the balance sheet, while requiring authorities to recognise a "right of use asset" and a lease liability. IFRS16 was due to come into effect for public services from 1 April 2020 (ie. For the 20/21 Accounts), however in light of the coronavirus pandemic, the Financial Regulatory Advisory Board agreed on 20 March 2020 to defer implementation for a further 12 months to 31 March 2022, ie. for the closure of the 2021/22 accounts.

3 Alternative Options

3.1 An alternative option is to fail to present an Annual Treasury Activity Report, however this would contravene the requirement of the Council's Treasury Management Strategy Statement (TMSS).

4 Financial Implications

4.1 There are no financial implications directly arising from this report.

5 Legal Implications

5.1 There are no legal implications arising from this report.

6 Equalities Implications

6.1 There are no equalities implications arising from this report.

7 Carbon Reduction/Environmental Sustainability Implications

7.1 There are no carbon reduction/environmental sustainability implications arising from this report.

8 Appendices

8.1 Annual Treasury Activity Report 2019/20.
8.2 Outturn Prudential and Treasury Management Indicators for 2019/20.

9 Background Papers

9.1 None identified.

10 Reasons for Recommendations

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

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 23 June 2020

Approved by: Monitoring Officer

Date: 23 June 2020