ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	**AUDIT AND GOVERNANCE COMMITTEE**
DATE:	**23 JULY 2019**
SUBJECT:	**ANNUAL TREASURY MANAGEMENT REVIEW FOR 2018/19**
PORTFOLIO HOLDER(S):	**COUNCILLOR R WILLIAMS**
LEAD OFFICER(S):	**R MARC JONES**
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Nature and reason for reporting

To comply with regulations issued under the Local Government Act 2003 and with the Council's Treasury Management Scheme of Delegation for 2018/19 (Appendix 8 of the Treasury Management Strategy Statement 2018/19). In accordance with the Scheme of Delegation, this report is due to be presented to the Executive and then the full Council once it has been scrutinised by this Committee.

1. Introduction

The Council is required, by regulations issued under the Local Government Act 2003, to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. 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).

During 2018/19, the minimum reporting requirements were that the full Council should receive the following reports:-

- an annual treasury strategy in advance of the year (received on 28 February 2018);
- a mid-year treasury update report (received on 27 February 2019);
- an annual review following the year describing the activity compared to the strategy (this report).

The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the full Council.

The Section 151 Officer confirms that borrowing was only taken out for capital purposes and the statutory borrowing limit (the authorised limit) was not breached.

Furthermore, the report sets out the following outcomes in the financial year 2018/19:-

- External factors – including a review on the economy, the interest rate performance during the year and the continued uncertainty over Brexit;
- Internal factors – including the performance of capital expenditure, the impact on the reserves and cash balances, risk appetite to investments, the borrowing taken by the Council and the impact on the Capital Financing Requirement (CFR);

- The Treasury Management Strategy in 2018/19 – including the debt management of the Council, the implementation on the new MRP policy, and the Council's borrowing and investments during the year;
- Controlling Treasury Management – what are the Prudential Indicators and how are they measured;
- Comparison in Prudential Indicators – a comparison on the actual Prudential Indicators compared to the forecast at the beginning of the year;
- Looking forward to 2019/20 and beyond; and
- Conclusion.

2. A Review of the Year – External Factors

2.1 Interest Rates - The Bank Rate at the start of the financial year was 0.50%, however, this was increased to 0.75% in August 2018. This meant that the counter-party organisations' interest rate on the typical call account ranged from 0.10% to 0.65%.

2.2 The Economy – In the United Kingdom, after weak economic growth of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in quarter 4 came in at 1.4% year on year confirming that the UK was the third fastest growing country in the G7 in quarter 4.

After the Monetary Policy Committee (MPC) raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC has been having increasing concerns over the trend in wage inflation, which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling only marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9%, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.

As for CPI inflation itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.

The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

2.3 Brexit - The Conservative minority government failed to muster a majority in the Commons over its Brexit deal. The EU agreed to an extension to the deadline to the 31 October 2019 for the UK to reach an agreement with the EU on the terms by which the UK leave the EU. If an agreement is not reached, there is a strong possibility that the UK would leave without a deal in place, although a further extension and the potential for a general election or second referendum cannot be discounted. Whatever the outcome, there is still a lot of uncertainty surrounding the economy and how the Government would deal with a No Deal Brexit and this could result in a potential loosening of monetary policy and, therefore, medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

3. A Review of the Year – Internal Factors

3.1 **Capital expenditure and financing 2018/19** - The Council undertakes capital expenditure on long-term assets. These activities may either be:-

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or

- Financed from borrowing: if insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2018/19 Estimate (£m)	2018/19 Actual (£m)
General Fund capital expenditure	47	22
HRA capital expenditure	16	9
Total capital expenditure	**63**	**31**
General Fund financed in year by Grants & Contributions	32	16
HRA financed in year by Grants & Contributions	3	3
General Fund financed in year by Council resources	3	1
HRA financed in year by Council resources	13	6
General Fund capital expenditure financed by borrowing	**12**	**5**
HRA capital expenditure financed by borrowing	**0**	**0**

The main reason for the underspend was the large underspend against seven projects. The details are shown in the table below:-

	Budget £'m	Actual £'m	Variance £'m	Comment
Holyhead Strategic Infrastructure	1.370	0.211	(1.159)	Contract had be retendered and will now take place in 2019/20
Road improvements to Wylfa Newydd	12.000	0.000	(12.000)	Project suspended
New Schools Llangefni Area	5.233	0.421	(4.812)	Consultation process re-commenced
Gypsies & Travellers Site	1.858	0.053	(1.805)	Planning consent took longer than anticipated
Tourism Gateway	1.398	0.092	(1.306)	Delays receiving final grant approval
Seiriol Extra Care Scheme	1.000	0.000	(1.000)	Delays in identifying suitable site
Development of new HRA properties	7.964	1.525	(6.439)	Delays in commencing new build projects

3.2 **Reserves and Cash balances** - the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:-

Usable Reserves and Provisions	Draft 31-Mar-19 £m	Final 31-Mar-18 £m
Council fund general reserve	5.912	6.899
Earmarked reserves	8.728	7.601
Housing Revenue Account (HRA) reserve	8.387	7.380
School reserves	0.631	1.869
Capital receipts Reserves	1.186	0.320
Total Usable Reserves	**24.844**	**24.069**
Provisions	**5.234**	**5.326**
Total Usable Reserves and Provisions	**30.078**	**29.395**

3.3 **Externalisation of borrowing –** The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and the resources utilised to pay for the capital spend. It represents the 2018/19 capital expenditure financed by borrowing, and prior years' capital expenditure funded by borrowing which has not yet been paid for by revenue or other resources. Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the Treasury Service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board (PWLB) or the money markets), or utilising temporary cash resources within the Council. Due to low cash balances during the year, it was decided to externalise borrowing and the Council took out two long term borrowing with the PWLB. On 16 January 2019, the Council borrowed £15m with an interest rate of 2.49% and will mature in 50 years. On 25 March 2019, the Council borrowed £10m with an interest rate of 2.24% and will mature in 46 years.

3.3.1 Gross borrowing and the CFR - In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure.

The internal borrowing strategy has now been implemented over the last few years. The gross borrowing of £132.5m at 31 March 2019 is less than the forecast CFR for the following two years.

	Actual 2018/19 (£m)	Estimated 2019/20 (£m)	Estimated 2020/21 (£m)
Capital Financing Requirement	138.7	145.1	158.5

3.3.2 Internal borrowing - is when, over the medium term, the investment rates are expected to continue to be below long term borrowing rates. This means that value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external debt. This would maximise short term savings. The Internal borrowing figure is the difference between the CFR and the Gross Borrowing Position. As can be seen in the table below, at the beginning of the year the internal borrowing position was £19.9m. By taking out the two new PWLB loans as stated in paragraph 3.3 of this report, the internal borrowing position at 31 March 2019 was reduced to £6.2m as can be seen in the table below.

	31 March 2018 Actual (£m)	31 March 2019 Actual (£m)
Gross borrowing position	117.0	132.5
CFR	136.9	138.7
Underfunding of CFR	19.9	6.2

3.4 **Other Borrowing -** During the year, the Council also entered into two short-term borrowings. The first short term borrowing was for £5m and was taken out on 16 October 2018 for 3 months with North Yorkshire County Council with an interest rate of 0.85%. The second short term borrowing was also for £5m and this was taken out on 14 December 2018 for 1 month with Tyne & Wear Pension fund with an interest rate of 0.80%. These borrowings were taken out to cover short term cashflow difficulties.

3.5 **Debt Repayments** - A PWLB Loan matured during the year on the 16th January 2019 and was for £5m. The loan was originally taken in 2009 at an interest rate of 3.72%. Three short-term borrowings also matured during the year. The first of these was a £5m borrowing from the Tyne & Wear Pension fund at an interest rate of 0.50%, which matured on 19 April 2018. This borrowing was taken out on 19 January 2018. The other two short-term borrowings were the repayments of the two new borrowings listed in paragraph 3.4 of this report. The £5m borrowing from the North Yorkshire County Council was repaid on 16 January 2019 and the £5m borrowing from the Tyne & Wear Pension fund was also repaid on 16 January 2019.

3.6 **Investments –** The expected investment strategy was to keep to shorter term deposits (up to 364 days) although the ability to invest out to longer periods was retained. Cash balances were expected to be up to £22m, ranging between £4m and £22m. The interest budget was set at £0.016m after adjusting for the higher rates on existing investments. As it turned out, average balances of £11.7m returned £0.054m at an average interest rate of 0.47%. The reason that the investment return was higher than the budget was, as stated in paragraph 2.1, the bank rate was increased from 0.50% to 0.75% in August 2018, leading to a higher than budgeted investment returns. All of the Council's deposits were held in no notice deposit accounts which pay interest at rates near the prevailing base rate, £14.333m at 0.53% on 31 March 2019 (31 March 2018 £5.993m at 0.39%). All investments were for under 1 year.

3.7 **Treasury Position at 31 March 2019** – The Council's debt and investment position is organised by the Treasury Management Service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary and through officer activity in accordance with the Treasury Management Strategy 2018/19. The upper limits for fixed rate and variable rate exposures were not breached during the year. The borrowing and investment figures for the Council as at the end of the 2017/18 and 2018/19 financial years are as follows:-

	31 MARCH 2018			31 MARCH 2019		
	£'000	Average Rate (%)	Average Maturity (yrs)	£'000	Average Rate (%)	Average Maturity (yrs)
Debt	117.0	5.15	23.36	132.5	5.70	30.29
CFR	136.9			138.7		
Over / (under) borrowed	(19.8)			(6.2)		
Fixed term investments (all < 1 year, managed in house and fixed rate) No notice investments (all managed in house)	5,993	0.39		14,333	0.53	
Total Investments	**5,993**	**0.39**		**14,333**	**0.53**	

Borrowing is further broken down by maturity as:-

	31 MARCH 2018		31 MARCH 2019	
	£m	% of total	£m	% of total
Total borrowing	117.0	100	132.5	100
Under 12 months	10.1	8.63	5.2	3.9
12 months and within 24 months	5.1	4.36	4.6	3.5
24 months and within 5 years	7.0	5.98	4.6	3.5
5 years and within 10 years	5.8	4.96	4.2	3.1
10 years and above	89.0	76.07	113.9	86.0

The reason for the increase in borrowing of 10 years and above from 31 March 2018 and 31 March 2019 is the two PWLB loans that were taken out during the year, as mentioned in paragraph 3.3 of this report.

4. The Council's Treasury Management Strategy in 2018/19

4.1 **Debt rescheduling** - No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

4.2 **Borrowing in advance of need** – During the year, the Council did not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed.

4.3 **Investment Policy** – the Council's investment policy is governed by Welsh Government investment guidance, which has been implemented in the annual Treasury Management Strategy Statement approved by the Council on 28 February 2018. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties. When the Council invests its surplus cash, the most important aspect of the investment is security, followed by liquidity and then the yield. This essentially means that the main priority is the safety of the cash, followed by how readily available the cash is should the Council require it, followed by the percentage interest rate return that the Council will receive for the investment. The strategy on investing surplus cash would be to borrow short term with other Local Authorities to maximize returns in a secure way.

4.4 **Borrowing strategy** - and control of interest rate risk - during 2018/19, the Council maintained an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement) was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered. As stated in paragraph 3.3 of this report, during 2018/19 the Council did undertake two long term borrowing with the PWLB, this was to ensure that the Council had adequate cash balances by externalising debt and to take advantage of the low interest rates on offer for long term borrowing with the PWLB. Another part of the strategy is to borrow short term with other local authorities to cover short term cash flow difficulties, and, as stated in paragraph 3.4 on this report, this was done twice during 2018/19 by borrowing with two different Local Authorities at two different times.

4.5 **MRP Policy** – During the year, the Council implemented its new MRP policy after seeking advice from its Treasury advisors and consultation with External Audit. The new policy is a more prudent approach to charging Revenue for Capital Financing costs. The new policy can be seen in Appendix 6 of the Treasury Management Strategy Statement 2019/20 that was approved by full Council on February 27 2019.

5. Controlling Treasury Management

The following prudential indicators are contained in Appendix 11 of the Treasury Management Strategy Statement. See below a brief explanation of what the indicators are and how they are calculated. Section 6 of this report with analyse the difference between the Actual and the forecast Prudential Indicators for 2018/19.

- **Capital expenditure – Estimates of Capital Expenditure -** This is the forecast Capital Expenditure from 2018/19 to 2021/22, and is based on the Capital Programme for 2018/19 and the Capital Strategy for 2019/20.

- **The Council's borrowing need (the Capital Financing Requirement) -** Another prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life, and so charges the economic consumption of capital assets as they are used.

- **Prudence - Gross Debt and the CFR -** The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

- **External Debt - The authorised limit for external debt -** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under Section 3 (1) of the Local Government Act 2003. 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.The Section 151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans and the proposals in the budget report. The Authorised Limit is set annually in the Treasury Management Strategy Statement and is approved by full Council.

- **The operational boundary** - This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources. The Operational Limit is set annually in the Treasury Management Strategy Statement and is approved by full Council.

- **Affordability - Ratio of financing costs to net revenue stream -** This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in this budget report.

6. Prudential Indicators Actual vs Expected

6.1 During 2018/19, the Council complied with its legislative and regulatory requirements. The key data for actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:-

Data for actual prudential and treasury indicators	2017/18 Actual £000	2018/19 Original £000	2018/19 Actual £000
Capital expenditure • Non-HRA • HRA • Total	20,064 9,291 29,355	38,810 13,820 52,630	21,649 9,028 30,678
Total Capital Financing Requirement: • Non-HRA • HRA • Total	95,218 41,648 136,866	108,120 40,820 148,940	97,845 40,815 138,660
Gross borrowing	117,029	131,130	132.549
External debt	117,029	131,130	132.549
Investments • Longer than 1 year • Under 1 year • Total	0 5,993 5.993	0 15,000 15,000	0 14,333 14,333
Authorised Borrowing limit	**169.0m**	**177.0m**	**132.4m**
Operational boundary	164.0m	172.0m	132.4m
Financing costs as a proportion of net revenue stream – CF	6.10%	5.12 %	4.92 %
Financing costs as a proportion of net revenue stream – HRA	22.36%	20.15 %	16.86 %
Estimates of incremental impact of capital investment decisions on housing rents	32.42	48.74	£31.76

6.2 The first prudential indicator in the above table is the Capital Expenditure. The forecast Capital Expenditure at the time of producing the prudential indicators for 2018/19 was £52.630m. However, the actual expenditure was significantly lower at £30.678m. The reason for the reduced expenditure is explained in paragraph 3.1 of this report, and is mainly due to the significant underspend in seven capital projects.

6.3 The second prudential indicator in the above table in the Capital Financing Requirement. The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge called the Minimum Revenue Provision, (MRP), to reduce the CFR. This is, effectively, a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR. The total CFR can also be reduced by:-

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The forecast CFR at the time of producing the prudential indicators for 2018/19 was £148.940m. However, the actual CFR was significantly lower at £138.660m. One of the reasons for the reduced CFR was the underspend in the 21st Century Schools programme, thus reducing the amount of Unsupported Borrowing needed in 2018/19. Another reason was that additional grants were awarded during the year to subsidise other funding sources such as Supported Borrowing. This meant less Supported Borrowing was needed and, therefore, reducing the CFR figure. However, in future years, this subsidised funding source will be used to fund the Capital Expenditure in 2019/20 and will increase the CFR.

6.4 The Authorised Borrowing Limit (£177m) and the Operational Boundary (£172m) were not breached during the year, with the amount of external debt peaking at £132.4m only.

6.5 The Financing costs as a proportion of net revenue stream for the General Fund (4.92%) was very close to the anticipated total (5.12%) meaning this indicator performed as expected and is lower than last year's total (6.10%). The financing costs as a proportion of net revenue stream for the HRA (16.86%) was below the anticipated total (20.15%) due to the underspend in the Acquisition of Existing Properties and Development of New Properties, meaning no borrowing was needed during the year, therefore, reducing the HRA financing costs. The underspend on HRA also reduced the amount of Revenue contributions needed to fund the capital programme in 2018/19 from £9.7m to £6.3m and this is the reason that the Estimates of incremental impact of capital investment decisions on housing rents is only £31.76 as oppose to the forecast of £48.74.

7. Looking forward to 2019/20 and beyond

7.1 On 27 February 2019, the full Council approved the Treasury Management Strategy Statement for 2019/20. The Strategy Statement was based on the Capital Strategy and it is forecast that the Council will need to borrow an additional £7.3m in 2019/20 for the General Fund and HRA, a total of £17.0m in 2020/21 and a further total of £20.2m in 2021/22 to fund its Capital Programme. This additional borrowing will affect the General Fund with an increased Minimum Revenue Provision (MRP) being charged to fund the capital financing costs. In 2019/20, the forecast MRP is £3.4m, in 2020/21 £3.7m and £3.9m in 2021/22.

7.2 On 4 April 2019, the Isle of Anglesey County Council invested £5m with Central Bedfordshire Council with an interest rate of 0.75%. The investment was for 3 months and matured on 5 July 2019.

7.3 On 20 May 2019, a £5m borrowing from the PWLB was repaid by the Isle of Anglesey County Council. This loan was taken out on 25 May 2010 with an interest rate of 3.52%.

7.4 The latest interest rate forecast from Link Assets Services can be seen in the table below:-

Comparison of forecasts for Bank Rate today v. previous forecast

	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
1.7.19	0.75	0.75	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.50
7.5.19	0.75	0.75	1.00	1.00	1.25	1.25	1.25	1.50	1.50	1.50	1.75
change	0.00	0.00	-0.25	-0.25	-0.25	-0.25	0.00	-0.25	0.00	0.00	-0.25

8. Conclusion

The Council's Treasury Management performance during the year was in line with the strategy of low risk, low return investments and a planned approach to borrowing designed to minimise interest charges.

The performance against the Prudential Indicators set by the Council show that the Council's Treasury Management activities are being undertaken in a controlled way which ensure the financial security of the Council and do not place the Council at any significant financial risk in terms of unaffordable or excessive borrowing.

The Council's Treasury Management Strategy and its performance against the strategy take into account the external economic factors and it is constantly reviewed to ensure that it is the most appropriate strategy moving forward.

RECOMMENDATIONS

The Committee is recommended to:-

(i) Note that the outturn figures in this report will remain provisional until the audit of the 2018/19 Statement of Accounts is completed and signed off; any resulting significant adjustments to the figures included in this report will be reported as appropriate;
(ii) Note the provisional 2018/19 prudential and treasury indicators in this report;
(iii) Consider the annual treasury management report for 2018/19 and pass on to the next meeting of the Executive with any comments.

Background papers:

Treasury Management Strategy Statement 2018/19
Prudential and Treasury Indicators 2018/19
Treasury Management Mid-Year Review Report 2018/19
Capital Outturn Report 2018/19

R MARC JONES
DIRECTOR OF FUNCTION (RESOURCES) &
SECTION 151 OFFICER **5 JULY 2019**