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## **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY – MID YEAR REVIEW REPORT 2013/14**

To: **Governance & Audit Committee – 11<sup>th</sup> December 2013**

Main Portfolio Area: **Finance**

By: **Capital & Treasury Finance Officer**

Classification: **Unrestricted**

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**Summary:** **This report summarises treasury management activity and prudential/treasury indicators for the first half of 2013/14.**

### **For Decision**

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## **1 Background**

- 1.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 Accordingly treasury management is defined as:
- “The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

## **2 Introduction**

- 2.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management has been adopted by this Council.
- 2.2 The primary requirements of the Code are as follows:
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- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full council of an annual Treasury Management Strategy Statement (including the Annual Investment Strategy and Minimum Revenue Provision Policy) for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Governance and Audit Committee.

2.3 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the 2013/14 financial year to 30 September 2013;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure (prudential indicators);
- A review of the Council's investment portfolio for 2013/14;
- A review of the Council's borrowing strategy for 2013/14;
- A review of any debt rescheduling undertaken during 2013/14;
- A review of compliance with Treasury and Prudential Limits for 2013/14.

2.4 There have not been any key changes to the Treasury and Capital Strategies during the first half of 2013/14.

### **3 Capita's Economic update (issued by the Council's treasury advisor, Capita (previously called Sector), on 1 October 2013)**

3.1 Economic performance to date (issued by Capita on 1 October 2013)

3.1.1 During 2013/14 economic indicators suggested that the economy is recovering, albeit from a low level. After avoiding recession in the first quarter of 2013, with a 0.3% quarterly expansion the economy grew 0.7% in Q2. There have been signs of renewed vigour in household spending in the summer, with a further pick-up in retail sales, mortgages, house prices and new car registrations.

3.1.2 The strengthening in economic growth appears to have supported the labour market, with employment rising at a modest pace and strong enough to reduce the level of unemployment further. Pay growth also rebounded strongly in April, though this was mostly driven by high earners delaying bonuses until after April's cut in the top rate of income tax. Excluding bonuses, earnings rose by just 1.0% y/y, well below the rate of inflation at 2.7% in August, causing continuing pressure on household's disposable income.

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- 3.1.3 The Bank of England extended its Funding for Lending Scheme (FLS) into 2015 and sharpened the incentives for banks to extend more business funding, particularly to small and medium size enterprises. To date, the mortgage market still appears to have been the biggest beneficiary from the scheme, with mortgage interest rates falling further to new lows. Together with the Government's Help to Buy scheme, which provides equity loans to credit-constrained borrowers, this is helping to boost demand in the housing market. Mortgage approvals by high street banks have risen as have house prices, although they are still well down from the boom years pre 2008.
- 3.1.4 Turning to the fiscal situation, the public borrowing figures continued to be distorted by a number of one-off factors. On an underlying basis, borrowing in Q2 started to come down, but only slowly, as Government expenditure cuts took effect and economic growth started to show through in a small increase in tax receipts. The 2013 Spending Review, covering only 2015/16, made no changes to the headline Government spending plan, and monetary policy was unchanged in advance of the new Bank of England Governor, Mark Carney, arriving. Bank Rate remained at 0.5% and quantitative easing also stayed at £375bn. In August, the MPC provided forward guidance that Bank Rate is unlikely to change until unemployment first falls to 7%, which was not expected until mid 2016. However, 7% is only a point at which the MPC will review Bank Rate, not necessarily take action to change it. The three month to July average rate was 7.7%.
- 3.1.5 CPI inflation (MPC target of 2.0%), fell marginally from a peak of 2.9% in June to 2.7% in August. The Bank of England expects inflation to fall back to 2.0% in 2015.
- 3.1.6 Financial markets sold off sharply following comments from Ben Bernanke (the Fed chairman) in June that suggested the Fed may 'taper' its asset purchases earlier than anticipated. The resulting rise in US Treasury yields was replicated in the UK. Equity prices fell initially too, as Fed purchasing of bonds has served to underpin investor moves into equities out of low yielding bonds. Increases in payroll figures have shown further improvement, helping to pull the unemployment rate down from a high of 8.1% to 7.3%, and continuing house price rises have helped more households to escape from negative equity. In September, the Fed surprised financial markets by not starting tapering as it felt the run of economic data in recent months had been too weak to warrant taking early action. Bond yields fell sharply as a result, though it still only remains a matter of time until tapering does start.
- 3.1.7 Tensions in the Eurozone eased over the second quarter, but there remained a number of triggers for a renewed flare-up. Economic survey data improved consistently over the first half of the year, pointing to a return to growth in Q2, so ending six quarters of Eurozone recession.
- 3.2 Outlook for the next six months of 2013/14 (issued by Capita on 1 October 2013)**
- 3.2.1 Economic forecasting remains difficult with so many external influences weighing on the UK. Volatility in bond yields is likely during 2013/14 as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds. Downside risks to UK gilt yields and PWLB rates include:
- A return to weak economic growth in the US, UK and China causing major disappointment to investor and market expectations.
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- The potential for a significant increase in negative reactions of populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- The Italian political situation is frail and unstable: the coalition government fell on 29 September.
- Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
- Geopolitical risks e.g. Syria, Iran, North Korea, which could trigger safe haven flows back into bonds.

### 3.2.2 Upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
- Increased investor confidence that sustainable robust world economic growth is firmly expected, together with a reduction or end of QE operations in the US, causing a further flow of funds out of bonds into equities.
- A reversal of Sterling's safe-haven status on a sustainable improvement in financial stresses in the Eurozone.
- In the longer term - a reversal of QE in the UK; this could initially be implemented by allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held.
- Further downgrading by credit rating agencies of the creditworthiness and credit rating of UK Government debt, consequent upon repeated failure to achieve fiscal correction targets and sustained recovery of economic growth, causing the ratio of total Government debt to GDP to rise to levels that provoke major concern.

### 3.2.3 The overall balance of risks to economic recovery in the UK is now weighted to the upside after five months of robust good news on the economy. However, only time will tell just how long this period of strong economic growth will last, and it remains exposed to vulnerabilities in a number of key areas. The longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Near-term, there is some residual risk of further QE if there is a dip in strong growth or if the MPC were to decide to take action to combat the market's expectations of an early first increase in Bank Rate. If the MPC does take action to do more QE in order to reverse the rapid increase in market rates, especially in gilt yields and interest rates up to 10 years, such action could cause gilt yields and PWLB rates over the next year or two to significantly undershoot the forecasts in the table below. The tension in the US over passing a Federal budget for the new financial year starting on 1 October and raising the debt ceiling in mid October could also see bond yields temporarily dip until agreement is reached between the opposing Republican and Democrat sides. Conversely, the eventual start of tapering by the Fed will cause bond yields to rise.

### 3.3 Capita's Interest rate forecasts (issued by Capita on 1 October 2013)

	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%
5yr PWLB rate	2.50%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%
10yr PWLB rate	3.70%	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
25yr PWLB rate	4.40%	4.40%	4.40%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.20%
50yr PWLB rate	4.50%	4.40%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.30%

*The Capita Assets Services forecasts above are for PWLB certainty rates.*

Expectations for the first change in Bank Rate in the UK are now dependent on how to forecast when unemployment is likely to fall to 7%. Financial markets have taken a very contrary view to the MPC and have aggressively raised short term interest rates and gilt yields due to their view that the strength of economic recovery is now so rapid that unemployment will fall much faster than the Bank of England forecasts. They therefore expect the first increase in Bank Rate to be in quarter 4 of 2014. There is much latitude to disagree with this view as the economic downturn since 2008 was remarkable for the way in which unemployment did not rise to anywhere near the extent likely, unlike in previous recessions. This meant that labour was retained, productivity fell and now, as the MPC expects, there is major potential for unemployment to fall only slowly as existing labour levels are worked more intensively and productivity rises back up again. The size of the work force is also expected to increase relatively rapidly and there are many currently self employed or part time employed workers who are seeking full time employment. Capita Asset Services takes the view that the unemployment rate is not likely to come down as quickly as the financial markets are currently expecting and that the MPC view is more realistic. The prospects for any increase in Bank Rate before 2016 are therefore seen as being limited. However, some forecasters are forecasting that even the Bank of England forecast is too optimistic as to when the 7% level will be reached and so do not expect the first increase in Bank Rate until spring 2017.

## 4 Treasury Management Strategy Statement and Annual Investment Strategy Update

- 4.1 The Treasury Management Strategy Statement (TMSS) and revised TMSS for 2013/14 were approved by this Council on 7 February 2013 and 16 May 2013 respectively
- 4.2 There are no policy changes to the revised TMSS for 2013/14; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

## 5 The Council's Capital Position (Prudential Indicators)

- 5.1 This part of the report is structured to update:
- The Council's capital expenditure plans;

- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

## 5.2 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Capital Expenditure	2013/14 Original Estimate £m	Current Position – Actual at 30/09/13 £m	2013/14 Revised Estimate £m
General Fund	15.071	3.654	18.539
HRA	5.973	1.113	10.636
<b>Total</b>	<b>21.044</b>	<b>4.767</b>	<b>29.175</b>

Revised estimate includes carry-forward from the previous year of £4.1m General Fund and £4.2m HRA.

## 5.3 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2013/14 Original Estimate £m	Current Position – Actual at 30/9/13 £m	2013/14 Revised Estimate £m
Unsupported	21.044	4.767	29.175
<b>Total spend</b>	<b>21.044</b>	<b>4.767</b>	<b>29.175</b>
Financed by:			
Capital receipts	1.283		2.241
Capital grants	7.728		12.360
Capital reserves	3.164		3.974
Revenue	3.023		4.464
<b>Total financing</b>	<b>15.198</b>		<b>23.039</b>
<b>Borrowing need</b>	<b>5.846</b>		<b>6.136</b>

Revised estimate includes carry-forward from the previous year of £4.1m General Fund and £4.2m HRA.

#### 5.4 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

The table shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

##### Prudential Indicator – Capital Financing Requirement

We are on target to achieve the forecast Capital Financing Requirement.

##### Prudential Indicator – External Debt / the Operational Boundary

	2013/14 Original Estimate £m	Current Position – Actual at 30/9/13 £m	2013/14 Revised Estimate £m
<b>Prudential Indicator – Capital Financing Requirement</b>			
CFR – non housing	24.837		24.769
CFR – housing	23.041		20.869
Total CFR	47.878		45.638
<b>Net movement in CFR</b>	<b>5.108</b>		<b>3.863</b>
<b>Prudential Indicator – External Debt / the Operational Boundary</b>			
Borrowing	35.000	26.122	35.000
Other deferred liabilities*	11.000	3.340	11.000
<b>Total debt</b>	<b>46.000</b>	<b>29.462</b>	<b>46.000</b>

\* On balance sheet PFI schemes and finance leases etc (including the liability owed to KCC for the Westwood spine road construction). Actual balance is as at 31/03/13.

#### 5.5 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, borrowing will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2013/14 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2013/14 Original Estimate £m	Current Position – Actual at 30/09/13 £m	2013/14 Revised Estimate £m
Gross borrowing	30.433	26.122	30.652
Plus deferred liabilities*	3.267	3.340	3.267
Total gross borrowing	33.700	29.462	33.919
CFR (year end position)	47.878		45.638

\*

*\*On balance sheet PFI schemes and finance leases etc (including the liability owed to KCC for the Westwood spine road construction). Actual balance is as at 31/03/13.*

The Chief Executive reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

<b>Authorised limit for external debt</b>	<b>2013/14 Original Indicator</b>	<b>Current Position – Actual at 30/09/13</b>	<b>2013/14 Revised Indicator</b>
Borrowing	39.000	26.122	39.000
Other deferred liabilities*	14.000	3.340	14.000
<b>Total</b>	<b>53.000</b>	<b>29.462</b>	<b>53.000</b>

*\* On balance sheet PFI schemes and finance leases etc (including the liability owed to KCC for the Westwood spine road construction). Actual balance is as at 31/03/13.*

## **6 Investment Portfolio 2013/14**

- 6.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. Indeed, the introduction of the Funding for Lending scheme has reduced market investment rates even further. The potential for a prolonging of the Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.
- 6.2 The Council held £35.061m of investments as at 30 September 2013 (£23.603m at 31 March 2013) and the investment portfolio yield for the first six months of the year is 0.55% against a benchmark (average 7-day LIBID rate) of 0.36%. The constituent investments are:

<b>Sector</b>	<b>Country</b>	<b>Up to 1 year £m</b>	<b>1 year – 370 days £m</b>	<b>Total £m</b>
<b>Banks</b>	UK	13.641	0.600	14.241
<b>Banks</b>	Sweden	2.001	0.000	2.001
<b>Money Market Funds</b>	UK	18.819	0.000	18.819
<b>Total</b>		<b>34.461</b>	<b>0.600</b>	<b>35.061</b>



6.3 The Chief Financial Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2013/14.

6.4 The Council's budgeted investment return for 2013/14 is £0.162m, and performance for the first half of the financial year is above budget at £0.099m.

## 6.5 Investment Risk Benchmarking

Investment risk benchmarks were set in the 2013/14 TMSS for security, liquidity and yield. The mid-year position against these benchmarks is given below.

### 6.5.1 Security

The Council's maximum security risk benchmark for the current portfolio, when compared to historic default tables, is:

- 0.05% historic risk of default when compared to the whole portfolio.

The security benchmark for each individual period is:

	370 days	2 years	3 years	4 years	5 years
<b>Maximum</b>	<b>0.05%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

Note: This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment.

The Chief Executive can report that the investment portfolio was maintained within this overall benchmark for the first half of this financial year.

### 6.5.2 Liquidity

In respect of this area the Council seeks to maintain:

- Bank overdraft - £0.5m
- Liquid short term deposits of at least £10m available with a week's notice.
- Weighted Average Life benchmark is expected to be 0.5 years, with a maximum of 1.0 year.

The Chief Executive can report that liquidity arrangements were adequate for the first half of this financial year.

This authority does not currently place investments for more than 370 days due to the credit, security and counterparty risks of placing such investments.

### 6.5.3 Yield

Local measures of yield benchmarks are:

- Investments – Internal returns above the 7 day LIBID rate

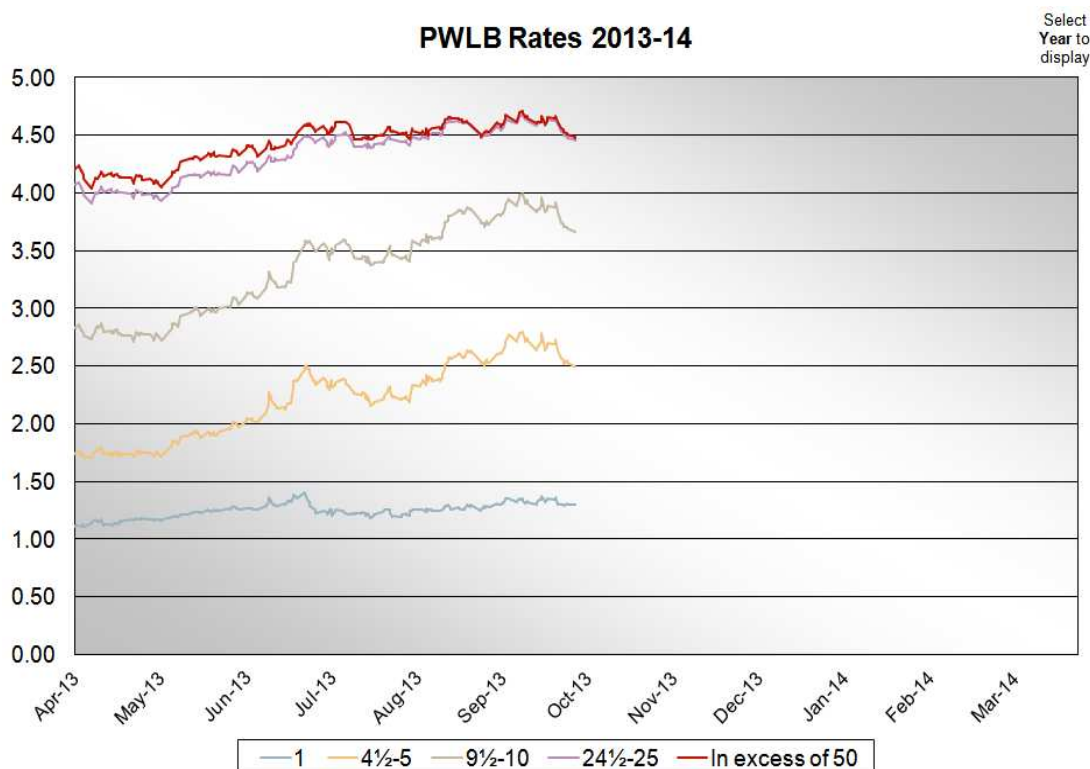
The Chief Executive can report that the yield on deposits for the first half of the financial year is 0.55% against a benchmark (average 7-day LIBID rate) of 0.36%.

## 6.6 Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

## 7 Borrowing

- 7.1 The Council's capital financing requirement (CFR) original estimate for 2013/14 is £47.878m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council has borrowings of £26.122m (table 5.5) and has utilised an estimated £21.756m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.
- 7.2 No new external borrowing was undertaken from the PWLB / market in the first half of this financial year.
- 7.3 As outlined below, the general trend has been an increase in interest rates during the six months, across all maturity bands.
- 7.4 It is anticipated that further borrowing will be undertaken during this financial year although options will be reviewed in due course in line with market conditions.
- 7.5 The graph and table below show the movement in PWLB rates for the first six months of the year to 30.9.13:



- 7.6 Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. During the first six months of the year,

no debt rescheduling was undertaken. The Council is currently under-borrowed to address investment counterparty risk and the differential between borrowing and investment interest rates. This position is carefully monitored.

7.7 A portion of the Council's PWLB debt matures at the end of 2013. It is intended to repay this debt although options will be reviewed in due course in line with market conditions.

7.8 The Council's budgeted debt interest payable for 2013/14 is £1.412m and performance for the first half of the financial year is below budget at £0.582m.

## 7.9 Treasury Management Indicators

### 7.9.1 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.

%	2013/14 Original Indicator	2013/14 Revised Indicator
Non-HRA	5.7%	5.2%
HRA	7.8%	7.0%

7.9.2 **Upper Limits on Variable Rate Exposure** – This identifies a maximum limit for variable interest rates based upon the debt position net of investments.

**Upper Limits on Fixed Rate Exposure** – Similar to the previous indicator, this covers a maximum limit on fixed interest rates.

Both of these are shown in the below table:

	2013/14 Original Indicator £m	Current Position – Actual at 30/09/13 £m	2013/14 Revised Indicator £m
<b>Upper limits on fixed interest rates</b>			
Debt only	53.000	26.122	53.000
Investments only	45.000	6.800	45.000
<b>Upper limits on variable interest rates</b>			
Debt only	53.000	0.000	53.000
Investments only	45.000	28.261	45.000

### 7.9.3 Maturity Structures of Borrowing

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.

	2013/14 Original Upper Limit	Current Position – Actual at 30/09/13	2013/14 Revised Upper Limit
<b>Maturity structure of fixed rate borrowing</b>			
Under 12 months	50%	24%	50%
12 months to 2 years	50%	4%	50%
2 years to 5 years	50%	0%	50%
5 years to 10 years	55%	33%	55%
10 years to 20 years	50%	17%	50%
20 years to 30 years	50%	15%	50%
30 years to 40 years	50%	7%	50%
40 years to 50 years	50%	0%	50%
50 years and above	50%	0%	50%

The current position shows the actual percentage of fixed rate debt the authority has within each maturity span. None of the upper limits have been breached.

## 8.0 Options

- 8.1 That Members approve this report and agree the prudential and treasury indicators that are shown.

## 9.0 Corporate Implications

### 9.1 Financial and VAT

- 9.1.1 There are no financial or VAT implications arising directly from this report.

### 9.2 Legal

- 9.2.1 This report is required to be brought before the Governance and Audit Committee, Cabinet and Council for approval, under the CIPFA Treasury Management Code of Practice.

### 9.3 Corporate

- 9.3.1 This report evidences that the Council continues to carefully manage the risk associated with its treasury management activities.

### 9.4 Equity and Equalities

- 9.4.1 There are no equity or equality issues arising from this report.

## 10.0 Recommendations

10.1 That the Governance and Audit Committee:

- Approves this report and agrees the prudential and treasury indicators that are shown.
- Recommends this report to Cabinet.

## 11.0 Decision Making Process

11.1 This report is to go to Cabinet and then Council for approval. The Cabinet meeting is on 21 January 2014.

## 12.0 Disclaimer

12.1 This report is a technical document focussing on public sector investments and borrowings and, as such, readers should not use the information contained within the report to inform personal investment or borrowing decisions. Neither Thanet District Council nor any of its officers or employees makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein (such information being subject to change without notice) and shall not be in any way responsible or liable for the contents hereof and no reliance should be placed on the accuracy, fairness or completeness of the information contained in this document. Any opinions, forecasts or estimates herein constitute a judgement and there can be no assurance that they will be consistent with future results or events. No person accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise in connection therewith.

<b>Future Meetings:</b>	<b>Date:</b>
Cabinet	21 January 2014
Council	6 February 2014

Contact Officer:	Sarah Martin, Financial Services Manager extn 7617
Reporting to:	Sue McGonigal, Chief Executive and S151 Officer

### Annex List

N/A	
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### Corporate Consultation Undertaken

Finance	N/A
Legal	Harvey Patterson, Corporate & Regulatory Services Manager