DECISION-MAKER:	GOVERNANCE COMMITTEE COUNCIL			
SUBJECT:	TREASURY MANAGEMENT STATEGY AND PRUDENTIAL LIMITS MIDYEAR REVIEW 2016			
DATE OF DECISION:	14 NOVEMBER 2016 16 NOVEMBER 2016			
REPORT OF:	SERVICE DIRECTOR FINANCE AND COMMERCIALISATION			

CONTACT DETAILS

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STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

BRIEF SUMMARY

The purpose of this report is to inform the Governance Committee and Council of the Treasury Management activities and performance for 2016/17 against the approved Prudential Indicators for External Debt and Treasury Management and to approve any changes as a result of activity to date and updates to the capital programme.

The core elements of the 2016/17 strategy are :

- To continue to make use of short term variable rate debt to take advantage of the current market conditions of low interest rates.
- To constantly review longer term forecasts and to lock into longer term rates through a variety of instruments as appropriate during the year, in order to provide a balanced portfolio against interest rate risk.
- To secure the best short term rates for borrowing and investments consistent with maintaining flexibility and liquidity within the portfolio.
- To invest surplus funds prudently, the Council's priorities being:
    - Security of invested capital
    - Liquidity of invested capital
    - An optimum yield which is commensurate with security and liquidity.
- To approve borrowing limits that provide for debt restructuring opportunities and to pursue debt restructuring where appropriate and within the Council's risk boundaries.

With overall annual expenditure in excess of £600M and an extensive capital programme, the Council is required to actively manage its cash-flows on a daily basis. The requirement to invest or to borrow monies to finance capital programmes, and to

cover daily operational needs is an integral part of daily cash and investment portfolio management.		
RECOMMENDATIONS:		
GOVERNANCE COMMITTEE **It is recommended that Governance Committee:**		
	i)	Note the current and forecast position with regards to these indicators and endorse any changes;
	ii)	Notes that the continued proactive approach to TM has led to reductions in borrowing costs and safeguarded investment income during the year.
	iii)	Endorse the increase in the investment limit for both unspecified investments and for counterparties as detailed in paragraph 30.
COUNCIL **It is recommended that Council:**		
	i)	Note the current and forecast position with regards to these indicators and approve any changes;
	ii)	Notes that the continued proactive approach to TM has led to reductions in borrowing costs and safeguarded investment income during the year.
	iii)	Continue to delegate authority to the Chief Financial Officer, Finance following consultation with the Cabinet Member for Resources to approve any changes to the Prudential Indicators or borrowing limits that will aid good treasury management. For example increase the percentage for variable rate borrowing to take advantage of the depressed market for short term rates. Any amendments will be reported as part of quarterly financial and performance monitoring and in revisions to this strategy;
	iv)	Approve the increase in the investment limit for both unspecified investments and for counterparties as detailed in paragraph 30.
REASONS FOR REPORT RECOMMENDATIONS		
1.	The Treasury Management Code requires public sector authorities to determine an annual TM Strategy and now, as a minimum, formally report on their treasury activities and arrangements to full Council mid-year and after the year-end. These reports enable those tasked with implementing policies and undertaking transactions to demonstrate they have properly fulfilled their responsibilities, and enable those with ultimate responsibility/governance of the TM function to scrutinise and assess its effectiveness and compliance with policies and objectives.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
2.	No alternative options are relevant to this report	
DETAIL (Including consultation carried out)		
	CONSULTATION	
3.	Not applicable	
	BACKGROUND	
4.	The Local Government Act 2003 introduced a system for borrowing based	

	largely on self-regulation by local authorities themselves. The basic principle of the new system is that local authorities will be free to borrow as long as their capital spending plans are affordable, prudent and sustainable.
5.	The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that authorities report on the performance of the treasury management function at least twice a year (mid-year and at year end).
6.	The Authority's Treasury Management Strategy for 2016/17 was approved by full Council on 10 February 2016 which can be accessed as Item 6 on the Council Meetings Agenda found via the following web link: Prudential Limits and Treasury Management Strategy 2016/17 to 2018/19
7.	Overall responsibility for treasury management remains with the Council. No TM activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.
8.	This report: a) is prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code; b) presents details of capital financing, borrowing, debt rescheduling and investment transactions; c) reports on the risk implications of treasury decisions and transactions; d) gives details of treasury management transactions in 2016/17 to date together with outturn forecast; and e) confirms compliance with treasury limits and Prudential Indicators.
9.	Appendix 1 summarises the Authority's financial adviser's (Arlingclose) assessment of the economic outlook and events in the context of which the Council operated its treasury function.
	BORROWING REQUIREMENT AND DEBT MANAGEMENT
10.	The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with balances and useable reserves, are the core drivers of TM Activity. This was estimated at £523M as at the 10/02/2016 when the TM strategy was approved and has been increased to £529M following a revision of the capital programme and adjusting for 2015/16 actual position, as detailed in Table 3 of Appendix 3.
11.	At 30/9/2016 the Authority held £235M of loans, a decrease of £6M on 31/3/2016, as part of its strategy for funding previous years' capital programmes, however the Authority expects to have to borrow up to £107M in 2016/17 to finance the current capital programme, which includes the £40M which has been allocated for the purchase of property for income generation (£59M General Fund and £47M for HRA) and to replace maturing debt, which will increase long term borrowing by £113M as shown in tables 1 and 2 below.
	Table 1

Movement on Estimated Long Term Borrowing Requirement	2016/17 Forecast GF £M	2016/17 Forecast HRA £M	2016/17 Forecast Total £M
Capital Programme	59.2	47.4	106.6
Maturing Debt	5.9	5.6	11.5
Movement in Internal Borrowing	5.0	0.0	5.0
Less Repayment of Debt Principal	(4.7)	(5.6)	(10.3)
Total Debt	**65.4**	**47.4**	**112.8**

Table 2

Long Term Borrowing	
	£M
Balance brought forward 1st April 2016	240.8
New debt raised in year	112.8
Maturing debt	(11.5)
Estimated debt at 31 March 2017	**342.1**

12. The Authority's chief objective when borrowing continues to be striking an appropriately prudent balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

13. Affordability and the "cost of carry" remained important influences on the Authority's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. Post referendum, the fall in yields and PWLB rates was more pronounced as evidenced in Tables 2 and 3 in Appendix 1. As short-term interest rates have remained, and are likely to remain for a significant period, lower than long-term rates, the Authority determined it was more cost effective in the short-term to use internal resources where funds permit and to borrow short-term loans instead.

14. Temporary and short-dated loans borrowed from the markets, predominantly from other local authorities, has remained affordable and attractive. Although we had no requirement for the period of this report, we have since borrowed £30M of such loans at an average rate of 0.40% and an average life of 12 months which includes the replacement of maturing loans and to provide financing for the capital programme.

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

16. The forecast movement in coming years is one of the Prudential Indicators (PIs). The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years and is shown in tables 3 and 4 below together with activity in the year.

Table 3

	31-Mar-16 Actual £M	31-Mar-17 Approved £M	Current Portfolio £M	31-Mar-17 Current Forecast £M	31-Mar-18 Current Forecast £M	31-Mar-19 Current Forecast £M
External Borrowing:						
Fixed Rate – PWLB Maturity	139	290	139	251	278	285
Fixed Rate – PWLB EIP	58	47	52	47	35	24
Variable Rate – PWLB	35	35	35	35	35	35
Variable Rate – Market	9	9	9	9	9	9
Long Term Borrowing	**241**	**381**	**235**	**342**	**357**	**353**
Short Term Borrowing						
Fixed Rate – Market	8	30	0	40	40	40
Other Long Term Liabilities						
PFI / Finance leases	65	62	63	62	60	58
Deferred Debt Charges	15	15	15	15	15	15
Total Gross External Debt	329	488	313	459	472	466
Investments:						
Managed In-House						
Deposits and monies on call and Money Market Funds	(40)	(25)	(22)	(25)	(25)	(25)
Financial Instruments	(42)	(57)	(34)	(20)	(20)	(20)
Managed Externally						
Pooled Funds	(7)	(7)	(7)	(7)	(7)	(7)
Total Investments	(89)	(89)	(63)	(52)	(52)	(52)
Net Borrowing Position	**240**	**399**	**250**	**407**	**420**	**414**

Table 4

	Balance on 01/04/2016 £M	Debt Maturing or Repaid £M	New Borrowing £M	Balance as at 30/9/2016 £M	Increase/ (Decrease) in Borrowing £M	Average Life / Average Rate % Life	%
Short Term Borrowing	8	(17)	9	0	(8)		
Long Term Borrowing	241	(6)	0	235	(6)	23 Years	3.33
Total Borrowing	**249**	**(23)**	**9**	**235**	**(14)**		

Please note that these figures do not reflect the accounting convention of moving loans maturing in the year from long term to short term.

PWLB Certainty Rate

17. The PWLB remains the Council's preferred source of long term borrowing given the transparency and control that its facilities continue to provide. The Authority qualifies for borrowing at the 'Certainty Rate' (0.20% below the PWLB standard rate) for a 12 month period from 01/11/2015. In April the Authority submitted its application to Department of the Environment along with the 2016/17 Capital Estimates Return to access this reduced rate for a further 12 month period from 01/11/2016.

Loans at Variable Rates

18. Included within the debt portfolio is £35M of PWLB variable rate loans which are currently averaging a rate of 0.70% which mitigate the impact of changes in variable rates on the Authority's overall treasury portfolio (the Authority's cash investments are deemed to be variable rate investments due to their short-term nature). This strategic exposure to variable interest rates will be regularly

	reviewed and, if appropriate, reduced by switching into fixed rate loans.
	Lender's Option Borrower's Option Loans (LOBOs)
19.	The Authority holds £9M of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during the half year, none of which were exercised by the lender, but if they were to be called during the remainder of this financial year it is likely that they would be repaid and replaced by alternative borrowing.
	Internal Borrowing
20.	Given the significant cuts to local government funding putting pressure on Council finances, the strategy followed was to minimise debt interest payments without compromising the longer-term stability of the portfolio.
21.	As at the 31 March 2016 the Council used £106M of internal resources in lieu of borrowing which has been the most cost effective means of funding past capital expenditure to date. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium term and the Council will need to borrow to cover this amount as balances fall. The current Capital Programme indicates that the Council is expected to borrow up to £167M between 2016/17 and 2018/19. Of this £149M relates to new capital spend and the remainder to the refinancing of existing debt and externalising internal debt to cover the expected fall in balances and also the need to lock back into longer term debt prior to interest rate rises.
22.	However as short-term interest rates have remained lower than long-term rates, and are likely to remain so for the foreseeable future, the Authority has determined it is more cost effective in the short-term to continue the use of internal resources and to make use of short term debt.
	Debt Rescheduling
23.	The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Authority's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.
	INVESTMENT ACTIVITY
24.	Both the CIPFA and DCLG's Investment Guidance requires the authority to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield.
25.	The Authority has held significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the first half of 2016/17 the Authority's investment balances have ranged between £62M and £106M and are currently £62M. Projected balances indicate that on present levels of spend we should have lower balances to last year, but this will be dependent on any borrowing decisions taken.
26.	Table 5 below summarises activity during the year:
	Table 5

	Balance on 01/04/2016	Investments Repaid	New Investments	Balance as at 30/9/2016	Increase/ (Decrease) in Investment for Year	Average Life / Average Rate %	
	£M	£M	£M	£M	£M	Life	%
Short Term Investments	0	0	0	0	0		
Money Market Funds & Call Accounts	34	(216)	199	17	(17)	1 Day	0.36
Notice Accounts	5		0	5	0	180 Day	0.90
Bonds	40	(14)	7	33	(7)	1.37 years	1.46
Local Authority Property Fund	7	0	0	7	0	Unspecified	5.12
Total Investments	**86**	**(230)**	**206**	**62**	**(24)**		**1.46**

27. Security of capital has remained the Authority's main investment objective. This has been maintained by following the Authority's counterparty policy as set out in its TM Strategy Statement for 2016/17. The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio, which is supplied by our advisors. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Further details can be seen in Appendix 4.

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

28. Counterparty credit quality was assessed and monitored with reference to credit ratings; credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.

29. Given the increasing risk and continued low returns from short-term unsecured bank investments, and having estimated that £40M is available for longer-term investment, the Authority continued its investments in more secure and/or higher yielding asset classes such as covered bonds (which are secured on the financial institutions' assets) and pooled funds which have the advantage of diversifying investment risks without the need to own and manage the underlying investments coupled with professional fund management.

30. Counterparty limits were set as part of the TM strategy at no more than £10M per management group and with the following limits, however as part of the authority's income generation remit, it is proposed to increase this limit in respect of externally managed funds (see paragraph 40 below) to £30M which will have an corresponding impact for both long-term investments and investments without credit ratings, to enable us to make an additional investment in the CCLA and other similar funds.

Table 6 – Non Specified Investment Limits 2016/17

	Strategy Cash Limit	**Revised Cash Limit**
Total long-term investments	£55M	£80M
Total investments without credit ratings or rated below A-	£10M	£30M
Total investments in foreign countries rated below AA+	£5M	£5M
Total non-specified investments	**£70M**	**£115M**

31.	Tables 7 and 8 below summarises the Council's investment portfolio at 30 September 2016 and confirms that all investments were made in line with the Council's approved credit rating criteria:

Table 7

Credit Rating	Long Term £M	Short Term £M	Total £M
AAA	10.8	12.6	23.4
AA+	3.2	0.0	3.2
AA		0.1	0.1
AA-		4.1	4.1
A+		9.6	9.6
A		8.0	8.0
A-		7.0	7.0
Unrated pooled funds		7.0	7.0
Total Investments	**14.0**	**48.4**	**62.4**

Table 8

	Current Investment £M	Average Yield/ Rate %	Forecast Return £M
Specified Investments			
Cash	21.8	0.48	0.13
Corporate Bonds (not subject to Bail in)	10.0	0.99	0.10
Other Bonds	1.1	0.93	0.02
	32.9		**0.25**
Unspecified Investments			
Long term Bonds (not subject to Bail in)	13.9	2.17	0.29
Other Bonds (previously long term)	8.6	0.65	0.04
CCLA	7.0	5.00	0.35
	29.5		**0.68**
Total Investment	**62.4**	**1.72**	**0.93**
Total Investment excluding CCLA	**55.4**	**1.23**	**0.58**

Full details of our investments (excluding CCLA) can be seen in Appendix 2

Credit Developments and Credit Risk Management

32.	Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune although the fall in their share prices was less pronounced.
33.	Fitch downgraded the UK's sovereign rating by one notch to AA from AA+, and Standard & Poor's downgraded its corresponding rating by two notches to AA from AAA. Fitch, S&P and Moody's have a negative outlook on the UK. S&P took similar actions on rail company bonds guaranteed by the UK Government. S&P also downgraded the long-term ratings of the local authorities to which it

	assigns ratings as well as the long-term rating of the EU from AA+ to AA, the latter on the agency's view that it lowers the union's fiscal flexibility and weakens its political cohesion.
34.	Moody's affirmed the ratings of nine UK banks and building societies but revised the outlook to negative for those that it perceived to be exposed to a more challenging operating environment arising from the 'leave' outcome.
35.	There was no immediate change to Arlingclose's credit advice on UK banks and building societies as a result of the referendum result. Our advisor believes there is a risk that the uncertainty over the UK's future trading prospects will bring forward the timing of the next UK recession.
36.	The European Banking Authority released the results of its 2016 round of stress tests on the single market's 51 largest banks after markets closed on Friday 29th July. The stress tests gave a rather limited insight into how large banks might fare under a particular economic scenario. When the tests were designed earlier this year, a 1.7% fall in GDP over three years must have seemed like an outside risk. Their base case of 5.4% growth now looks exceptionally optimistic and the stressed case could be closer to reality. No bank was said to have failed the tests. The Royal Bank of Scotland made headline news as one of the worst performers as its ratios fell by some of the largest amounts, but from a relatively high base. Barclays Bank and Deutsche Bank ended the test with Common Equity Tier 1 (CET1) ratios below the 8% threshold, and would be required to raise more capital should the stressed scenario be realised. The tests support our cautious approach on these banks.
37.	Fitch upgraded Svenska Handelsbanken's long-term rating from AA- to AA reflecting the agency's view that the bank's earnings and profitability will remain strong, driven by robust income generation, good cost efficiency and low loan impairments.
38.	Or advisors produce quarterly benchmarking which shows the breakdown of our investments and how we compare to their other clients and other English Unitary Authority's, this shows that on average we have a higher credit rating and have less exposure to Bail- in which reflects our change in strategy during 2015. Details can be seen in Appendix 4.
	Liquidity Management
39.	In keeping with the DCLG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds and call accounts. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. The Council also has to manage the risk that it will be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates. The Council would only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.
	Externally Managed Funds
40.	The Council currently has £7M in property funds which offer the potential for enhanced returns over the longer term, but may be more volatile in the shorter term. These funds are managed by professional fund managers which allows the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. As at the 30 September the sell price of our total investments were valued at £7.2M a notional "gain" of £0.2M against investments, this is lower than that

	previously reported as following 'Brexit' CCLA have prudently adjusted the fund value downwards by approximately 4% for the end of September price, based on their valuer's advice. This is in line with the 4 or 5% adjustments being made by other property funds at this time. Our advisers Arlingclose have issued the following statement, 'We believe this is a prudent step taken by CCLA to protect continuing investors in the fund from anyone attempting to sell at "off-market" pre-referendum prices. After all, Brexit is a significant event with wide but largely unknown implications. We advise clients to invest in this fund with a rolling five year investment horizon, with the aim of collecting steady income and to see through price volatility. Our advice therefore continues to be that clients should not sell strategic investments at this time, and we are confident that income distribution will remain significantly higher than cash over the coming years'. The current quoted dividend yield on the fund is currently 4.89% (equates to 5% on our original investment) and is expected to return £0.34M for the year (based on the average return of the last 12 months 4.8%)
	BUDGETED INCOME AND EXPENDITURE
	Investments
41.	The Council does not expect any losses from non-performance in relation to its investments by any of its counterparties. The UK Bank Rate had been maintained at 0.5% since March 2009 and until August 2016, when it was cut to 0.25%. It is now forecast to fall further towards zero but not go negative, as a consequence short-term money market rates have fallen and are expected to fall further following 'Brexit'. Investments in Money Market Funds and call accounts currently generated an average rate of 0.48%. Investments in bonds have performed better returning an average of 1.42% for the year to date. The average cash balances during the period was £90.5M (range between £108.5M to £61.7M); these are expected to fall as the incidence of government grant income and council tax income is skewed towards the earlier part of the year.
42.	As reported previously the Authority continues to review investments in suitable longer term financial instruments which will generate a better return, as it is envisaged that there be sufficient cash balances over the medium term.
	Expenditure
43.	The interest cost of financing the Authority's long term and short term loan debt is charged corporately to the Income and Expenditure account. The interest cost in 2016/17 of financing the Authority's loan debt is estimated to be £14.5M As a result of variable interest rates being lower than those estimated, no new long term borrowing being taken the last two years, deferring any new borrowing to later in the year and a fall in long term interest rates following BREXIT and subsequent reduction in base rate it is expected that the cost of borrowing will be less than the estimated cost.
	COMPLIANCE WITH PRUDENTIAL INDICATORS
44.	The Council can confirm that it has complied with its Prudential Indicators for 2016/17, approved by Full Council on 10 February 2016, item 6.Prudential Limits and Treasury Management Strategy 2016/17 to 2018/19

45. In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of TM activity during 2016/17 to date. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield. Table 9 below summarises the Key Indicators and performance to date further details can be found in Appendix 4.

Table 9

Indicator	Limit	Actual at 30 September 2016
Authorised Limit for external debt £M	£863M	£335M
Operational Limit for external debt £M	£700M	£335M
Maximum external borrowing in year		£249M
Limit of fixed interest debt %	100%	81%
Limit of variable interest debt %	50%	19%
Limit for Non-specified investments £M	£50M	£30M

Investment Training

46. The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff have attended a number of training courses provided by our advisors (Arlingclose).

RESOURCE IMPLICATIONS

Capital/Revenue

47. The revenue and capital implications are considered as part of ongoing monitoring which is reported to Cabinet each quarter and as part of the budget setting process.

Property/Other

48. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

49. Local Authority borrowing is regulated by Part 1, of the Local Government Act 2003, which introduced the new Prudential Capital Finance System. From 1 April 2004, investments are dealt with, not in secondary legislation, but through guidance. Similarly, there is guidance on prudent investment practice, issued by the Secretary of State under Section 15(1) (a) of the 2003 Act. A local authority has the power to invest for "any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs". The reference to the "prudent management of its financial affairs" is included to cover investments, which are not directly linked to identifiable statutory functions but are simply made in the course of treasury management. This also allows the temporary investment of funds borrowed for the purpose of expenditure in the reasonably near future; however, the speculative procedure of borrowing purely in order to invest and make a return remains unlawful.

Other Legal Implications:

50. None

POLICY FRAMEWORK IMPLICATIONS	
51.	This report has been prepared in accordance with the CIPFA Code of Practice on TM.

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	

SUPPORTING DOCUMENTATION

Appendices		
1.	Economic Background and Interest Rates	
2.	Current Investments	
3.	Compliance with Prudential Indicators	
4.	Southampton Benchmarking 30th September 2016	
5.	Glossary of Treasury Terms	
Documents In Members' Rooms		
1.		
Equality Impact Assessment		
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.		No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		No
Other Background Documents **Other Background documents available for inspection at:**		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	Prudential Limits and Treasury Management Strategy 2016/17 to 2018/19	