Havering
LONDON BOROUGH

AUDIT COMMITTEE	**30 JULY 2018**
Subject Heading:	**Annual Treasury Management Report 2017/18**
SLT Lead:	**Jane West** **Chief Financial Officer**
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Policy context:	The code of practice on Treasury Management 2011 requires a year-end report to Full Council on the treasury management activities.
Financial summary:	**There are no direct financial implications from the report.**

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[x]
Places making Havering	[x]
Places making Havering	[x]
Connections making Havering	[x]

SUMMARY

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 to Full Council at least twice per year (mid-year and at year end).

The Authority's treasury management strategy for 2017/18 was approved at a meeting of the Authority in February 2017 and revisions to the strategy were approved at a meeting of the Authority in September 2017.

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 activity on treasury managed investments and borrowings and the associated monitoring and control of risk.

RECOMMENDATIONS

- To note the treasury management activities for the financial year 2017-18 detailed in the report.

KEY HIGHLIGHTS

- Investment income for the year was £1.51m compared to a budget of £1.35m.
- The Authority's average interest return was 0.74% outperforming the budgeted rate of return by 0.14%, and was also better than the average of 0.64% across the London Peer Group and 0.63% across the Local Authority Group within Arlingclose's benchmarking club.
- The Authority complied with all set treasury and prudential Indicator limits
- The Authority successfully opted up to MiFID II professional status with the relevant counter parties in January 2018, enabling the Authority to deliver the Treasury Management Strategy.

REPORT DETAIL

1. External Context

1.1. Economic Backdrop

The significant economic event was the increase in the Bank Rate in November by 0.25% to 0.50%, making it the first increase by the Bank of England's MPC in ten years, although in essence the MPC reversed its August 2016 cut following the referendum result.

Arlingclose expects the Bank of England to take a very measured approach to any monetary policy tightening. Any increases will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

The increase in Bank Rate resulted in higher money markets rates: 1-month, 3-month and 12-month LIBID rates averaged 0.32%, 0.39% and 0.69%.

The 50 year PWLB rates for fixed term borrowing were 2.57% at the start of the financial year and 2.49% at year end. There was some volatility in the rate with a peak of 2.84% in February and a dip in September at 2.45%. The Authority did not forecast to undertake any additional borrowing in the 17/18 borrowing strategy. This was kept under review during the year; assessing the need to externally borrow at various times during the course of the year. No long term borrowing was undertaken in the year as it has been more cost effective to use internal borrowing or to borrow short term loans instead.

1.2 Credit Background

Ring-fencing: The rules for UK banks' ring-fencing were finalised by the Prudential Regulation Authority and banks began the complex implementation process ahead of the statutory deadline of 1st January 2019. As there was some uncertainty surrounding which banking entities the Authority would be dealing with once ring-fencing was implemented and what the balance sheets of the ring-fenced and non ring-fenced entities would actually look like, in May 2017 Arlingclose advised adjusting downwards the maturity limit for unsecured investments to a maximum of 6 months. The rating agencies had slightly varying views on the creditworthiness of the restructured entities.

In general, the agencies expect to give the ring-fenced "retail" bank a higher credit rating than the non ring-fenced "investment" bank. In practice, this will only affect Barclays, HSBC, RBS and Lloyds to a lesser extent as other UK banks and building societies either only conduct retail banking activities or have less than £25 billion of deposits covered by the Financial Services Compensation Scheme.

Barclays was the first to complete its ring-fence restructure over the 2018 Easter weekend; wholesale deposits including local authority deposits will henceforth be accepted by Barclays Bank plc (branded Barclays International), which is the non ring-fenced bank.

HSBC and Lloyds Bank have then on completed their ring fence restructures and local authority deposits will be held with their retail banks; HSBC UK and Lloyds Bank respectively.

The RBS banking group has completed its ring fencing exercise as well and will see the current RBS plc formally being renamed as NatWest Markets. This entity will become the non ring-fenced bank of the RBS Group plc. At the same time, the current Adam & Co will become the new RBS plc, while National Westminster Bank plc will be unchanged, and also be a ring-fenced entity within the group structure.

1.3 **Money Market Fund regulation**: The new EU regulations for Money Market Funds (MMFs) were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility Net Asset Value (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

1.4 Credit Rating developments

The most significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities.

Changes to credit ratings included the placing of UK banks' long-term ratings on review to reflect the impending ring-fencing of retail activity from investment banking (Barclays, HSBC and RBS were on review for downgrade; Lloyds Bank, Bank of Scotland and National Westminster Bank were placed on review for upgrade).

Standard & Poor's (S&P) revised upwards the outlook of various UK banks and building societies to positive or stable and simultaneously affirmed their long and short-term ratings, reflecting the institutions' resilience, progress in meeting regulatory capital requirements and being better positioned to deal with uncertainties and potential turbulence in the run-up to the UK's exit from the EU in March 2019. The agency upgraded Barclays Bank's long-term rating to A from A- after the bank announced its plans for its entities post ring-fencing.

Fitch revised the outlook on Nationwide Building Society to negative and later downgraded the institution's long-term ratings due to its reducing buffer of junior debt. S&P revised the society's outlook from positive to stable.

Moody's downgraded Rabobank's long-term rating from Aa3 to Aa2 due to its view on the bank's profitability. Arlingclose's advice is that they remain comfortable with clients making unsecured investments with the Rabobank for periods up to 13 months. The Authority has investments with Rabobank, domiciled in the Kingdom of Netherlands (Sovereign Rating of AAA) of £15m, maturing in October 2018.

As explained in the Treasury Management Strategy Statement (TMSS), investment decisions are made by reference to the lowest published long term credit rating from Fitch, Moody's or Standard & Poor's ratings agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. The minimum lending credit rating criteria for counter parties as set out in the TMSS is A- . The TMSS also sets out that for non UK banks, a sovereign rating of AA+ and above will be used.

Moody's downgraded the long-term ratings of the major Canadian banks on the expectation of a more challenging operating environment; however the ratings remain above the Authority's approved ratings for highly rated counterparties. The Authority currently has no investments with Canadian banks.

Moody's also downgraded the ratings of the large Australian banks to Aa3, on its view of the rising risks from their exposure to the Australian housing market. The rating of Aa3 is still within the boundaries of the Authority's approved ratings for highly rated counterparties. The Authority has total investments of £15m with Australian banks; £5m with the Commonwealth Bank of Australia, maturing in October 2018 and £10m with the Australia and New Zealand Banking Corporation maturing in December 2018.

In February, Arlingclose advised against lending to Northamptonshire County Council (NCC). NCC issued a section 114 notice in the light of severe financial challenge and the risk that it would not be in a position to deliver a balanced budget.

1.5. CIPFA Codes:

CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017. The Authority is currently considering the changes from the 2011 Code for incorporation into future Treasury Management Strategies and monitoring reports.

The 2017 Prudential Code introduces the requirement for a Capital Strategy which sets out the long-term context of capital expenditure and investment decisions and their associated risks and rewards along with an overview of how risk is managed for future financial sustainability. This strategy must be approved by full Council, and the determination of the Treasury Management Strategy can then be delegated to a committee.

In the 2017 Treasury Management Code the definition of ‘investments’ has been widened to include financial assets as well as non-financial assets held primarily for financial returns such as investment property. These, along with other investments made for non-treasury management purposes such as loans supporting service outcomes and investments in subsidiaries, must be discussed in the Capital Strategy or Investment Strategy.

Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Investments and Minimum Revenue Provision (MRP):

In February 2018 the MHCLG (Ministry of Housing, Communities and Local Government) published revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision (MRP).
Changes to the Investment Guidance include a wider definition of investments to include non-financial assets held primarily for generating income return and a new category called “loans” (e.g. temporary transfer of cash to a third party, joint venture, subsidiary or associate). The Guidance introduces the concept of proportionality, proposes additional disclosure for borrowing solely to invest and also specifies additional indicators. Investment strategies must detail the extent to which service delivery objectives are reliant on investment income and a contingency plan should yields on investments fall.
The definition of prudent MRP has been changed to “put aside revenue over time to cover the CFR”; it cannot be a negative charge and can only be zero if the CFR is nil or negative. Guidance on asset lives has been updated, applying to any calculation using asset lives. Any change in MRP policy cannot create an overpayment; the new policy must be applied to the outstanding CFR going forward only.

Officers are currently reviewing this new guidance and the CIPFA revised codes and in particular how it impacts on this authority’s commercial agenda and will report back in detail at a future Audit Committee.

2. Treasury Management Summary

The treasury management position as at 31st March 2018 and the change over the period is shown in table 1 below.

Table 1: Treasury Management Summary as at 31st March 2018

	31.3.17 Balance £m	Movement £m	31.03.18 Balance £m	31.03.18 Rate %
Long-term borrowing	210.234	-	210.234	3.59
Short-term borrowing	2.512	27.740	30.252	0.67
Total borrowing	**212.746**	**27.740**	**240.486**	**3.23**
Long-term investments	40.000	(7.000)	33.000	1.55
Short-term investments	130.808	20.042	150.850	0.63
Cash and cash equivalents	30.096	14.643	44.739	0.51
Total investments	**200.904**	**27.685**	**228.589**	**0.74**
Net borrowing	**11.842**	**0.055**	**11.897**	**2.49**

3. Borrowing Strategy

3.1 The 31st March 2018 borrowing position is shown in table 2 below.

Table 2: Borrowing Position

	Balance at 01/04/17 £m	Raised £m	Repaid £m	Balance at 31/03/18 £m	Weighted Average Rate %
Loans					
PWLB	203.234	-	-	203.234	**3.60**
Bank (LOBO)	7.000	-	-	7.000	**3.60**
Local Authorities and Other (Short Term Borrowing)	2.512	132.451	(104.712)	30.251	**0.67**
Total Loans	**212.746**	**132.451**	**(104.712)**	**240.485**	**3.23**

As illustrated in Tables 1 & 2 above long term investments have remained over £200m generating a very modest return in comparison to the average cost of long term borrowing. Therefore, it has been more cost effective to use internal resources to fund unfinanced capital expenditure incurred in 2017/18.

4. Investment Activity

4.1 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. The investment position during the financial year is shown in Table 3 below.

4.2 The Guidance on Local Government Investments in England gives priority to security and liquidity and the Authority's aim is to achieve a yield commensurate with these principles.

Table 3: Investment Activity

	31.3.17 Balance	Movement	31.03.18 Balance	Weighted Average Rate %
Investments				
Banks & Building Societies (Fixed Unsecured)	100.000	-51.000	49.000	0.59
Banks & Building Societies (Call & Notice Accounts Unsecured)	23.184	0.019	23.202	0.51
Banks & Building Societies (Fixed Secured)	8.800	-	8.800	0.55
Government (incl. Local Authorities)	62.000	69.850	131.850	0.80
Money Market Funds	6.920	5.816	12.737	0.45
Corporate Bonds and Loans		3.000	3.000	4.00
Total investments	**200.904**	**27.685**	**228.589**	**0.74**

4.3 At 31 March 2018, the Authority's risk adjusted return was higher than the Arlingclose universe and also the average for its 12 London Boroughs. The

Authority's average return on investments was 0.74% compared to an average return of 0.64% on internally managed investments within the Arlingclose benchmarking club.

Appendix A shows the breakdown of counterparties and investments for the authority.

Appendix B provides a summary of Arlingclose's quarterly benchmarking report.

5. Budgeted Income and Return

5.1 The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 4 below:

Table 4: Treasury Investment Performance 2017-18

	Benchmark Return 3 month LIBOR (Average Quarterly Rate) %	Budgeted Rate of Return %	Budgeted Interest (Full Year) £m	Actual Rate of Return %	Actual Interest to end of Quarter £m
Quarter 1	0.31	0.60	1.350	0.68	0.373
Quarter 2	0.30	0.60	1.350	0.64	0.359
Quarter 3	0.47	0.60	1.350	0.64	0.364
Quarter 4	0.56	0.60	1.350	0.69	0.411
Total			1.350		1.507

6. New borrowing

6.1 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.

6.2 As short-term interest rates have remained, and are likely to rise by a limited extent over the forthcoming two years and remain significantly lower than long-term rates, the Authority determined it was more cost effective in the short-term to use internal resources instead, referred to as internal borrowing.

6.3 As a result no long term borrowing has been undertaken during the current year but this will be kept under continuous review.

7. Compliance with Treasury and Prudential Limits

7.1 During the year, the Authority has operated within the treasury limits and Prudential Indicators set out in the authority Treasury Management Strategy Statement and in compliance with the authority's Treasury Management Practices. An update on indicators and limits are reported in **Appendix C** of this report.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no direct financial implications arising from this report.

Legal implications and risks:

There are no apparent legal implications or risks from noting this report.

Human Resources implications and risks:

There are no HR implications from this report

Equalities implications and risks:

There are no Equalities implications arising from this report

BACKGROUND PAPERS

None

Appendix A

Table 1 breakdown of Deposits at 31st March 2018

Institution Type	31st March 2018 Actual £m	31st December 2017 Actual £m
UK Banks		
Goldman Sachs INT"L Bank	23.100	23.100
Lloyds Bank PLC	10.000	13.000
Close Brothers Ltd	5.000	5.000
Royal Bank of Scotland	0.100	0.100
Santander UK PLC	0.002	5.008
Santander UK PLC (Covered Bond)	3.800	3.803
UK Building Societies		
Yorkshire Building Society (Covered Bond)	5.000	5.217
Local Authorities & Other Public Sector		
Birmingham City Council	5.000	15.000
Blackburn with Darwen Borough Council	5.000	5.000
Cheshire East Council	5.000	5.000
Dorset County Council	5.000	
Dundee City Council	5.000	5.000
Falkirk Council	5.000	5.000
Gateshead Metropolitan Borough Council	5.000	5.000
Highland Council Inverness	15.000	15.000
Lancashire County Council	15.000	15.000
Lincoln City Council	1.750	
London Borough of Islington	5.000	5.000
Mid and East Antrim Borough Council	1.600	1.600
Newcastle Upon Tyne City Council	15.000	10.000
North Ayrshire Council	5.000	-
Northumberland County Council	15.000	15.000
Plymouth City Council	7.000	7.000
Salford City Council	5.000	
Stockport Borough Council		5.000
Uttlesford District Council	4.000	4.000
Non UK Banks		
Australia		
Australia & New Zealand Banking Group		5.000
Commonwealth Bank of Australia		5.000
Netherlands		
Cooperative Rabobank	15.000	15.000
Singapore		
Development Bank Singapore	7.000	12.000
United Overseas Bank	12.000	12.000
Money Market Funds		
BNP Paribas Insticash Sterling MMF	10.597	8.757
Insight Liquidity Sterling C3	2.140	
Unrated Corporate Bonds		
Rockfire Capital Ltd	3.000	
TOTAL INVESTMENTS	**228.589**	**230.585**

Appendix B

Investment Benchmarking

31 March 2018

	Havering	12 London & Met Boroughs Average	135 LAs Average
Internal Investments	£228.9m	£107.9m	£57.1m
External Funds	£0.0m	£3.6m	£10.2m
TOTAL INVESTMENTS	**£228.6m**	**£113.0m**	**£67.4m**
Security			
Average Credit Score	4.08	4.29	4.24
Average Credit Rating	AA-	AA-	AA-
Average Credit Score (time-weighted)	4.61	4.20	4.03
Average Credit Rating (time-weighted)	A+	AA-	AA-
Number of Counterparties / Funds	33	17	15
Proportion Exposed to Bail-in	29%	54%	55%
Liquidity			
Proportion Available within 7 days	10%	51%	42%
Proportion Available within 100 days	42%	77%	69%
Average Days to Maturity	253	131	35
Market Risks			
Average Days to Next Rate Reset	253	147	58
External Fund Volatility	0.0%	0.4%	2.1%
Yield			
Internal Investment Return	0.74%	0.64%	0.63%
External Funds - Income Return		1.52%	3.22%
External Funds - Capital Gains/Losses		0.31%	0.19%
External Funds - Total Return		1.84%	3.41%
Total Investments - Income Return	0.74%	0.71%	1.05%
Total Investments - Total Return	**0.74%**	**0.78%**	**1.08%**

Notes

- Unless otherwise stated, all measures relate to internally managed investments only, i.e. excluding external pooled funds.
- Averages within a portfolio are weighted by size of investment, but averages across authorities are not weighted.
- Credit scores are calculated as AAA = 1, AA+ = 2, etc.

Appendix C

Compliance Report

All treasury management activities undertaken during the financial year t complied fully with the CIPFA Code of Practice and the authority's approved Treasury Management Strategy. Compliance with specific treasury limits is demonstrated in tables below.

1.1 Interest Rate Exposures

1.1.1 This indicator is set to control the Authority's exposure to interest rate risk on its debt portfolio. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of gross principal borrowed will be:

Table1: Interest rate exposure activity

	2017/18 Limit %	2017/18 Actual %	2018/19 Limit %	2019/20 Limit %
Upper limit on fixed interest rate exposure	100	85	100	100
Upper limit on variable interest rate exposure	25	15	30	35

Fixed rate borrowings are those borrowings where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

1.1.2 Having larger amounts of fixed interest rate borrowing gives the Authority greater stability with regards to its interest payments and reduces the risk of higher interest costs should interest rates rise. Traditionally local authorities have taken advantage of fixing interest rates long term to reduce interest rate exposure. The table excludes Salix Finance loans as these are held at zero interest hence no interest rate exposure.

1.2 Maturity Structure of Borrowing

1.2.1 This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

Table 2: Loan maturity structure

	Upper %	Lower %	Actual %
Under 12 months	40	0	3.3
12 months and within 24 months	40	0	0
24 months and within 5 years	60	0	0.5
5 years and within 10 years	75	0	18.1
10 years and above	100	0	78.0

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

1.3 Principal Sums Invested for Periods Longer than 364 days

1.3.1 The purpose of this indicator is to control the authority's exposure to the risk of incurring losses by seeking early repayment of its investments.

1.3.2 The limits set in the 2017/18 treasury management strategy in comparison to the quarter one is set below. It is the authority's policy to classify available for sale investments with maturities exceeding one year as short term investments.

Table 3: Investments for periods longer than 364 days

	2017/18 Limit £m	2017/18 Actual £m	2018/19 Limit £m
Limit on principal invested beyond year end	75	33	75

1.4 Liquidity Treasury Indicator

1.4.1 The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments overnight and within a rolling three month period without additional borrowing.

Table 4: Liquidity activity as at 31/03/2018

	Target £m	**Actual £m**
Total cash available by the next working day	5.000	12.837
Total cash available within 3 months	30.000	51.100

1.5 Security Treasury Indicator

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.

Table 5: Security Treasury Indicator

	31.03.18 Actual	**2017/18 Target**
Portfolio average credit rating	A+	A+

1.6 Gross Debt and the Capital Financing Requirement (CFR)

1.6.1 In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. This is a key indicator of prudence.

Table 6: Gross debt and the CFR at 31st March 2018

	31.03.17 Actual £m	**31.03.18 Estimate £m**	**31.03.19 Estimate £m**	**31.03.20 Estimate £m**
Long Term External Debt	210.234	210.234	210.234	256.234
CFR	250.578	280.794	325.527	371.890
Internal Borrowing	40.344	70.560	115.293	115.656

1.6.2 Total debt is expected to remain below the CFR during the year. The actual debt levels are monitored against the Operational Boundary and authorised Limit for External Debt, below.

1.7 Operational Boundary for External Debt

1.7.1 The operational boundary is based on the authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt.

Table 7: Operational Boundary

Operational Boundary	**2017/18 £m**	**31.03.18 Actual**	**2018/19 £m**	**2019/20 £m**
Borrowing	276.300	240.485	310.600	341.400
Other long-term liabilities	2.000	0.000	2.000	2.000
Total	**278.300**	**240.485**	**312.600**	**343.400**

1.8 Authorised Limit for External Debt

1.8.1 The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Table 8: Authorised limit for external debt

Authorised Limit	**2017/18 £m**	**2018/19 £m**	**2019/20 £m**
Borrowing	303.900	341.700	375.500
Other long-term liabilities	2.000	2.000	2.000
Total Debt	**305.900**	**343.700**	**377.500**
Long Term Debt	210.200	210.200	210.200
Headroom	**95.700**	**133.500**	**133.500**

A bond is a debt instrument in which an investor lends money for a specified period of time at a fixed rate of interest. The issuing entity could be corporate, financial or government.

A floating rate note (FRN) is a money market instrument with a Floating/variable rate of interest, which re-fixes over a reference rate, for example 3 month LIBOR.

Bail in is rescuing a financial institution on the brink of failure by making its creditors and depositors take a loss on their holdings. A **bail**-in is the opposite of a **bail**-out, which involves the rescue of a financial institution by external parties, typically governments using taxpayer's money.

Certificates of deposit (CDs) are a negotiable form of fixed deposit, ranked pari passu with fixed deposits. The difference is that you are not obligated to hold the CD to maturity, you can realise the cash by selling in the secondary market.

Coupon is the total amount of interest a security will pay. The coupon period depends on the security. A CD will often pay interest at maturity, while a bond may pay semi annually or annually and an FRN will most likely pay every 3 months.

Covered bond Covered bonds are conventional bonds (fixed or floating) issued by financial institutions, that are backed by a separate group of loans, usually prime residential mortgages. This lowers the creditor's exposure to default risk, enhancing the credit. This is why the issue is usually rated AAA, higher than the rating given to the issuer reduces exposure to bail-in risk.

Credit rating A measure of the credit worthiness of a borrower. A credit rating can be assigned to country, organisation or specific debt issue/ financial obligation. There are a number of credit ratings agencies but the main 3 are Standard & Poor's, Fitch or Moody's.

MIFID is the Markets in Financial Instruments Directive. A European Union Directive.

Principal is the total amount being borrowed or lent.

Spread is the difference between the buy and sell price of a security. It can also be the gap, usually in basis points, between the yield of a security and the benchmark security.

Monetary Policy Committee (**MPC**) is a committee of the Bank of England, which meets for three and a half days, eight times a year, to decide the official interest rate in the United Kingdom (the Bank of England Base Rate).

CPIH (Consumer Prices Index including owner occupiers' housing costs) The new additional measure of consumer price inflation including a measure of owner occupiers' housing costs (OOH).

Treasury bills (T-bills) are UK government rated, short-dated form of Government debt, issued by the Debt Management Office (DMO) via a weekly tender. T-bills are normally issued for one, three or six month duration.