EXECUTIVE BOARD - 19 DECEMBER 2017

Subject:	Treasury Management 2017/18 Half Yearly Update
Corporate Director(s)/Director(s):	Laura Pattman, Strategic Director of Finance
Portfolio Holder(s):	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration
Report author and contact details:	Theresa Channell, Head of Strategic Finance and Deputy S151 Officer Tel: 0115 8764157 Email : theresa.channell@nottinghamcity.gov.uk

Subject to call-in: ☒ Yes ☐ No

Key Decision: ☐ Yes ☒ No

Criteria for Key Decision:

(a) ☐ Expenditure ☐ Income ☐ Savings of £1,000,000 or more taking account of the overall impact of the decision

and/or

(b) Significant impact on communities living or working in two or more wards in the City ☐ Yes ☐ No

Type of expenditure: ☐ Revenue ☐ Capital

Total value of the decision: Nil

Wards affected: All

Date of consultation with Portfolio Holder(s): Throughout the financial year to date

Relevant Council Plan Key Theme:

Strategic Regeneration and Development	☒
Schools	☒
Planning and Housing	☒
Community Services	☒
Energy, Sustainability and Customer	☒
Jobs, Growth and Transport	☒
Adults, Health and Community Sector	☒
Children, Early Intervention and Early Years	☒
Leisure and Culture	☒
Resources and Neighbourhood Regeneration	☒

Summary of issues (including benefits to citizens/service users):

This report sets out details of treasury management actions and performance from 1 April 2017 to 30 September 2017. In summary:

- £40m of new long-term borrowing has been undertaken in the period to 30 September 2017;
- The average interest rate payable on the debt portfolio was 3.4% at 30 September 2017;
- no debt rescheduling had been undertaken to 30 September 2017;
- the average return on investments to 30 September 2017 was 0.25% against a benchmark rate of 0.120% (7-day LIBID);
- there has been compliance with Prudential Indicators for 1 April to 30 September 2017;
- a revision to the existing Operational Boundary and the Authorised Limit for external debt within the Prudential Indicators has been proposed and a report will seek Full Council approval on 22 January 2018;

Exempt information: None

Recommendation(s):

1. To note the treasury management actions taken in 2017/18 to 30 September 2017
2. To note and endorse the recommendation to Full Council to approve the revision of the prudential indicators within the 2017/18 Treasury Management Strategy.

1 REASONS FOR RECOMMENDATIONS

1.1 To ensure that Councillors are kept informed of the actions taken by the Chief Finance Officer (CFO) under delegated council. The currently adopted Treasury Management Code of Practice requires the CFO to submit at least three reports on treasury management each year; a policy and strategy statement for the ensuing financial year, a 6-monthly progress report and an outturn report after the end of the financial year. The Code also requires that the reports be considered by relevant scrutiny or executive committees, and that the City Council approves any treasury management strategy decisions.

1.2 Additional commercial capital investment is to be undertaken in line with the medium term financial plan (MTFP) which will require the prudential indicators for Operational Boundary and the Authorised Limit for External Debt to be increased to allow for further borrowing to be undertaken.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 Treasury management is defined as the management of an organisation's cash flows, borrowings and investments, together with the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks. Since 1 April 2004, local authorities have been required to have regard to the Prudential Code. This Code requires treasury management to be carried out in accordance with good professional practice. The Council retains external advisors to support this activity.

2.2 The Council 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.

2.3 In respect of external investments, the Council is also required to ensure that the Department for Communities and Local Government (DCLG) guidance is followed, with the priorities being, in order:

- security of the invested capital;
- liquidity of the invested capital; and
- commensurate with security and liquidity, an optimum return on those investments.

2.4 The successful identification, monitoring and control of risk are the prime criteria by which the effectiveness of the Council's treasury management activities is measured. Treasury management risks are identified in the Treasury Management Practices document. The main risks to the Council's treasury activities are:

- liquidity risk (inadequate cash resources);
- market or interest rate risk (fluctuations in interest rate levels and, thereby, in the revenue impacts of loans and investments);
- inflation risks (exposure to inflation);
- credit and counterparty risk (security of investments);
- refinancing risks (impact of debt maturing in future years);
- legal and regulatory risk (i.e. non-compliance with statutory and regulatory requirements, risk of fraud).

2.5 The increased level of borrowing facilitates the generation of income from commercial activities. The level of government funding is continuing to reduce and including 2017/18 c.£137m of savings have been made in the past 6 years. These non-treasury investments support the increasing requirement for the generation of income from commercial activities including the strategic management of assets. This income generation is subject to a robust business case, and the yield attained has allowed the council to continue to fund services to vulnerable citizens of Nottingham.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 No other options were considered as the report is required by the Treasury Management Code of Practice and the compliance of the Authorised Limit for External Debt is a statutory requirement.

4 TREASURY MANAGEMENT ACTIVITY TO 30 SEPTEMBER 2017

4.1 The Economy and Interest rates during 2017/18

- Growth and Inflation:

After the UK economy surprised with strong growth in 2016, growth in 2017 has been disappointingly weak with quarters 1 & 2 year on year growth of 1.7% & 1.5% respectively which was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. Inflation (CPI) is forecast to peak at 3% in 2017 before falling back to near to its target rate of 2% in two years time. Inflation actually came in at 2.9% in August.

- UK Monetary Policy:

The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017 so the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action.
At the MPC meeting on 2nd November 2017 the MPC increased Bank Rate from 0.25% to 0.50% and gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This forward guidance on Bank Rate is in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

- Forecast Interest rates

The Council's treasury advisor, Link Asset Services, has provided the following forecast as at 7 November 2017:

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%
5yr PWLB rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%
10yr PWLB rate	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%
25yr PWLB rate	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%
50yr PWLB rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%

Appendix B shows the money market interest rates and the PWLB borrowing rates for the half-year to 30 September 2017.

4.2 Local Context

At 31/03/2017 the Council's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £1,280.5m. The forecast CFR at 31/03/2018 has increased since the original estimate and is now expected to be £1,449.5m due to a number of in-year additional approvals to the capital program including further investment in commercial property.

Table 1 below shows the original and expected financing arrangements of the capital programme. 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.

TABLE 1: CAPITAL EXPENDITURE	**2017/18 Original Estimate £m**	**2017/18 Revised Estimate £m**
Total capital expenditure	**209.091**	**281.091**
Financed by:		
Capital receipts	42.783	25.906
Capital grants & Contributions	51.708	64.969
Internal Funds / Revenue (inc. Major Repairs Reserve)	34.619	57.405
Total financing	**129.11**	**148.28**
Borrowing requirement	**79.981**	**132.811**

Table 2 summarises the Council's outstanding external debt at 30 September 2017 showing the value of debt and the average interest rate payable on the debt:

TABLE 2: DEBT PORTFOLIO (Excluding PFI)				
	01-Apr-17		**30-Sep-17**	
DEBT	**£m**	**%**	**£m**	**%**
PWLB borrowing	623.6	3.7	656.1	3.7
Market loans	49.0	4.3	49.0	4.3
Local bonds & Stock	0.6	3.0	0.6	3.0
Temporary borrowing	115.7	0.3	86.2	0.4
TOTAL DEBT	**788.9**	**3.3**	**791.9**	**3.4**

At 30/09/2017, the Council had £1,014.6m of external borrowing including £222.7m of Private Finance Initiative (PFI) Debt and £28.8m of investments. The Council has continued to maintain borrowing and investments below their underlying levels, referred to as internal borrowing, subject to holding a minimum investment balance of around £30m.

The Council has now utilised the balance sheet including working capital, reserves and provisions to internally finance c.£265m of capital expenditure as at 01 April 2017. When reserve balances are utilised or working capital levels are reduced this will now require further borrowing to be taken to maintain the required liquidity levels.

The level of borrowing as at 30 September remains within the Operational Boundary for external debt, but based on the revised capital program estimates and other expected cash flow requirements up to 31 March 2018, the Operational Boundary and the Authorised Limit for external debt will need to be increased to ensure the council has adequate liquidity to make payments as they fall due.

4.3 Borrowing strategy

At 30/9/2017 the Council has increased the balance of external loans by £3.030m on the 31/3/2017 balance, as part of its strategy for funding previous years' capital programmes. The Council expects to borrow up to a further £252m in 2017/18 based on the revised capital program and forecast cash flow requirements as shown in Table 3 below.

TABLE 3: FORECAST BORROWING REQUIREMENT FOR 6 MONTHS TO 31 MARCH 2018	**£m**
Qtr 2 Revised capital expenditure financed by borrowing	132.8
Qtr 2 Revised capital expenditure financed by reserves and balances	57.4
Further Commercial investments	77.7
Cash flow requirements including maturing debt	29.2
Less actual capital spend financed by borrowing or reserves at Qtr 2	-42.2
Less Increase in total debt at Qtr 2	-3.0
	252.0

The chief objective when borrowing continues to be striking an appropriately low risk 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 long-term plans change being a secondary objective.

Affordability and the "cost of carry" remained important influences on the Council'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. To date short-term interest rates have remained, and are likely to remain for a significant period, lower than long-term rates. The Council determined it to be more cost effective in the short-term to maintain the use internal resources and borrow short-term loans for some of its borrowing requirement this year. This was a prudent approach and has been cost effective. Given the uncertain economic climate the strategy will require

ongoing review and monitoring to ensure the most appropriate approach is applied going forward.

The expected path for the interest rates on new fixed rate long term loans is a very gradual increase over the coming years, but with this time frame there will be some volatility and therefore opportunities to fix new loans at low rates when in periods where the UK Gilt yields fall.

The Council borrowed two tranches of £20m from the Public Works Loans Board (PWLB) on fixed rates of 2.30% & 2.32% respectively, both on a 50 year maturity loan basis to fund capital expenditure and maturing loans. The PWLB was the Authority's preferred source of long term borrowing given the transparency and control that its facilities continue to provide.

To date a further £50m of fixed rate long term borrowing has been taken since 30 September 2018.

Temporary and short-dated loans borrowed from the markets, predominantly from other local authorities, has also remained affordable and attractive. In the 6 months to 30 September £231m of such loans were borrowed at an average rate of 0.390% and an average life of 3 months which includes the replacement of maturing loans.

Overall the debt portfolio has seen an increase in fixed rate debt and reduction in the balance of short term loans in 2017/18 meaning the average rate on the debt portfolio has risen slightly, but has reduced the exposure to variable interest rates and has continued to minimising the exposure to credit risk by holding a liquidity balance only of unsecured investments.

4.4 Debt rescheduling

The penalties (premia) for the early repayment of Public Works Loan Board (PWLB) debt, which constitutes over 90% of the Council's existing long-term borrowing, have remained prohibitively high. Therefore, no opportunities for debt rescheduling arose in the first half of 2017/18

4.5 PWLB Certainty Rate and Project Rate Update

The Council qualifies for borrowing at the 'Certainty Rate' (0.20% below the PWLB standard rate) for a 12 month period from 01/11/2016. In April the Council submitted its application to the DCLG along with the 2017/18 Capital Estimates Return to access this reduced rate for a further 12 month period from 01/11/2017.

4.6 Lender's Option Borrower's Options (LOBO) Loans

The Council holds £34.000m of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £14.000m of these LOBO loans have options during the year, none have been exercised by the lender. The Council acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.

4.7 Housing Revenue Account (HRA) Treasury Management Strategy

From 1 April 2002, the Council's HRA was allocated a separate debt portfolio based on the appropriate proportion of the Councils existing debt at that time. As a result of existing debt maturing, and not being replaced, the HRA

accumulates an internal borrowing position. The interest payable in 2017/18 is expected to be £12.137m at an average rate of 4.33%. This includes £37.161m of fixed rate internal borrowing maturing 01 October 2044.

4.8 Investments

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.

It has continued to be a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates were very low and in line with the 0.25% Bank Rate in the first half of the year.

The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

The Council held £28.8m of investments as at 30 September 2017 (£27.0m at 31 March 2017) and the investment portfolio yield for the first 6 months of the year is 0.25% against a benchmark (Average 7-day LIBID as shown in Appendix B) of 0.120%.

As the Council has maintained a reduced level of investments it remains insulated from the low interest rates on short-dated money market instruments. The relatively low investment balance is a reflection of the overall strategy to reduce credit risk exposure by reducing investment balances to fund the capital programme and the repaying of maturing debt.

Appendix A provides details of the Council's external investments at 30 September 2017, analysed between investment type and individual counterparties showing the current Fitch long-term credit rating.

Table 3 below summarises investment activity in 2017/18.

TABLE 3 - Investment Activity in 2017/18

Investments	Balance on 01/04/2017 £m	Balance on 30/09/2017 £m	Avg Rate/Yield (%) Avg days to maturity
Short term Investments (call accounts, deposits)			
- Banks and Building Societies with ratings of A- or higher	5.0	10.0	0.32% / 32
- Local Authorities	10.0	10.0	0.22% / 2
Long term Investments	0.0	0.0	N/A
Money Market Funds	12.0	8.8	0.21% / 1
TOTAL INVESTMENTS *	**27.0**	**28.8**	**0.25% / 12**
- Increase/ (Decrease) in Investments £m		1.8	

Note: * excludes remaining balance held in Icelandic ISK Escrow account

The Chief Financial Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the first 6 months of 2017/18.

The Council's budgeted investment return for 2017/18 is £0.120m, and performance for the year to date is £0.013m below budget, but the full year outturn is expected to be slightly above budget at £0.125m as the short term money market interest rates are forecast to increase in the second half of 2017/18.

Counterparty credit quality was assessed and monitored with reference to credit ratings (the Council's minimum long-term counterparty rating is A- across rating agencies Fitch, S&P and Moody's); credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.

4.9 Icelandic Bank deposits – update

The administrators for the recovery of Glitnir Bank deposits (£11m) have made repayment to all priority creditors, including the City Council, in full settlement of the accepted claims. However, approximately 21% (£2.3m) of this sum had been paid in ISK and due to currency restrictions in Iceland, this sum had been retained in an interest-bearing account with the Central Bank of Iceland. On 27 June 2017 the Council received £3.2m as proceeds from the sale of the restricted ISK balance including accrued interest as the Central Bank of Iceland starts to remove the currency controls and normalise their economy.

The council has now received 100% of the principal balance deposited with Glitnir Bank.

4.10 Compliance with Prudential Indicators

The Council confirms compliance with its Prudential Indicators for 2017/18 set on 6 March 2017 as part of the Council's Treasury Management Strategy Statement.

The Council measures and manages its exposures to treasury management risks using the following additional indicators.

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The limits on net fixed and variable rate interest rate exposures are:

	2017/18 £m	2018/19 £m	2019/20 £m
Upper limit on fixed interest rate exposure	900	900	900
Actual	622		
Upper limit on variable interest rate exposure	300	300	300
Actual	142		

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

	Lower	Upper	Actual
Under 12 months	0%	25%	12%
12 months and within 24 months	0%	25%	4%
24 months and within 5 years	0%	25%	12%
5 years and within 10 years	0%	50%	16%
10 years and within 25 years	0%	50%	23%
25 years and within 40 years	0%	25%	21%
40 years and above	0%	75%	11%

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2017/18 £m	2018/19 £m	2019/20 £m
Limit on principal invested beyond year end	20	20	20
Actual	0		

4.11 Changes to the Prudential Indicators for the Operational Boundary and the Authorised Limit for External Debt

Operational Boundary and Authorised Limit for External Debt: The operational boundary is based on the Council's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. 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 Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.
The table below shows the revised forecast debt position for 2017/18.

	2017/18 Original Estimate £m	**Current Position £m**	**2017/18 Revised Estimate £m**
Borrowing	831.5	791.9	1043.9
Other long term liabilities*	215.8	222.7	215.8
Total debt (year end position)	**1047.3**	**1014.6**	**1259.7**
Operational Boundary for external debt	**1107.2**	**1107.2**	**1275.0**
Authorised limit for external debt	**1147.2**	**1147.2**	**1300.0**

** On balance sheet PFI schemes and finance leases etc.*

The increase in estimated level of borrowing required by year end in 2017/18 since the original estimate is due to additional approvals within the capital program including further capital investment in commercial properties.

The additional capital expenditure will have been subject to an affordability assessment as part of the business case approval from the Section 151 Officer. The revision to these limits requires Full Council approval as part of an amendment to the 2017/18 Treasury Strategy.

4.12 Adoption of the CIPFA Treasury Management Code

The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* in March 2012.

4.13 Revised CIPFA Codes

The Chartered Institute of Public Finance and Accountancy, (CIPFA), is currently conducting an exercise to consult local authorities on revising the Treasury Management Code and Cross Sectoral Guidance Notes, and the Prudential Code. CIPFA is aiming to issue the revised codes during November.

A particular focus of this exercise is how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the authority at a much higher level than can be attained by treasury investments. One recommendation is that local authorities should produce a new report to councilors to give a high level summary of the overall capital strategy and to enable councilors to see how the cash resources of the authority have been apportioned between treasury and non-treasury investments. Officers are monitoring developments and will report to councilors when the new codes have been agreed and issued and on the likely impact on this authority.

4.14 MIFID II

The EU has now set a deadline of 3 January 2018 for the introduction of regulations under MIFID II. These regulations will govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This will have little effect on this authority apart from having to fill in forms sent by each institution dealing with this authority and for each type of investment instrument we use apart from for cash deposits with banks and building societies.

4.15 Risk Management

Risk management plays a fundamental role in treasury activities, due to the value and nature of transactions involved. The management of specific treasury management risks is set out in the Manual of Treasury Management Practices and Procedures and a risk register is prepared for the treasury function.

The treasury management risk register's overall risk rating at 30 September 2017 was Likelihood = unlikely, Impact = moderate which represents the same risk assessment as at 31 March 2017. The Treasury Management working group continue to manage this risk and take appropriate actions as required.

5 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

5.1 Treasury management payments comprise interest charges and receipts and provision for repayment of debt. A proportion of the City Council's debt relates to capital expenditure on council housing and this is charged to the HRA. The remaining costs are included within the treasury management section of the General Fund budget. The General Fund Treasury Management budget is £46.837m for 2017/18.

5.2 An estimated outturn for 2017/18 is included in the quarter 2 revenue monitoring report on the 19 December 2017 Executive Board agenda. The budget for 2018/19 will be submitted with the 2018/19 treasury management strategy, in February 2018.

6 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

6.1 Not applicable.

7 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

7.1 Not applicable.

8 SOCIAL VALUE CONSIDERATIONS

8.1 Not applicable.

9 REGARD TO THE NHS CONSTITUTION

9.1 Not applicable.

10 EQUALITY IMPACT ASSESSMENT (EIA)

10.1 Has the equality impact of the proposals in this report been assessed?

No ☒
An EIA is not required because:
It is deemed outside the scope for the equality impact assessment.

11 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

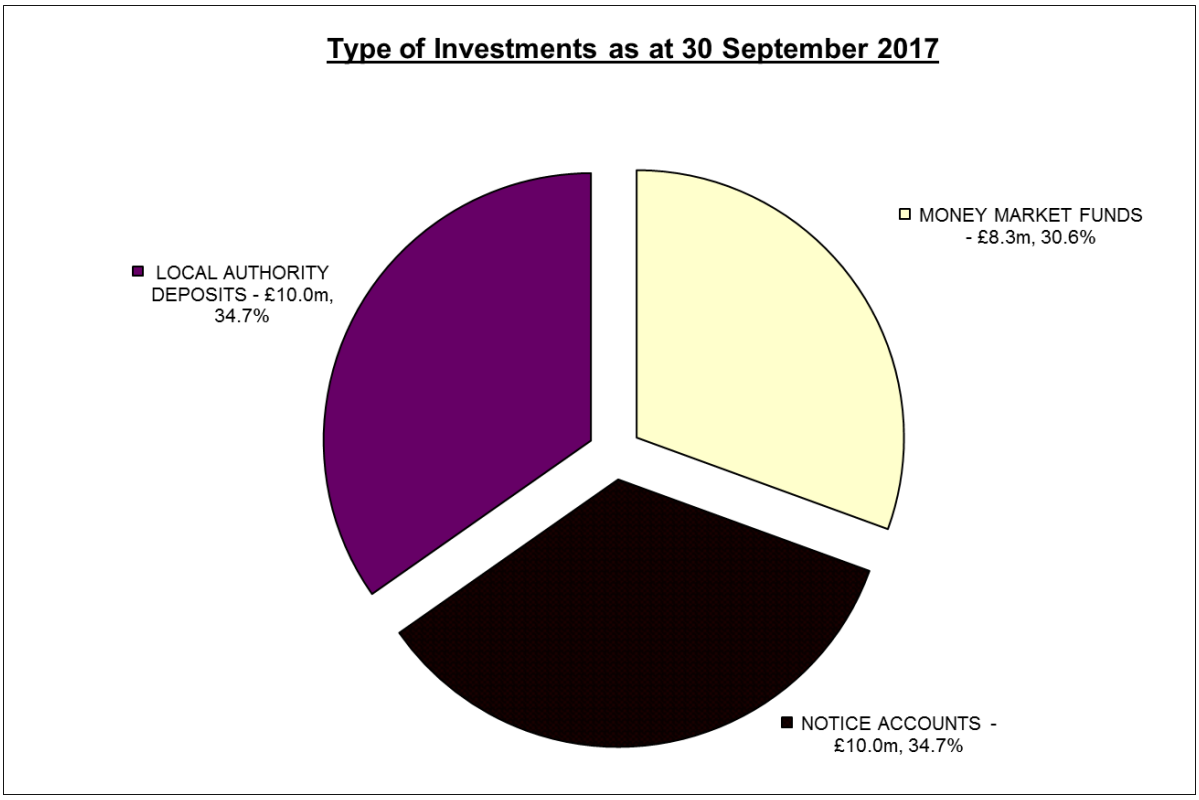
11.1 None

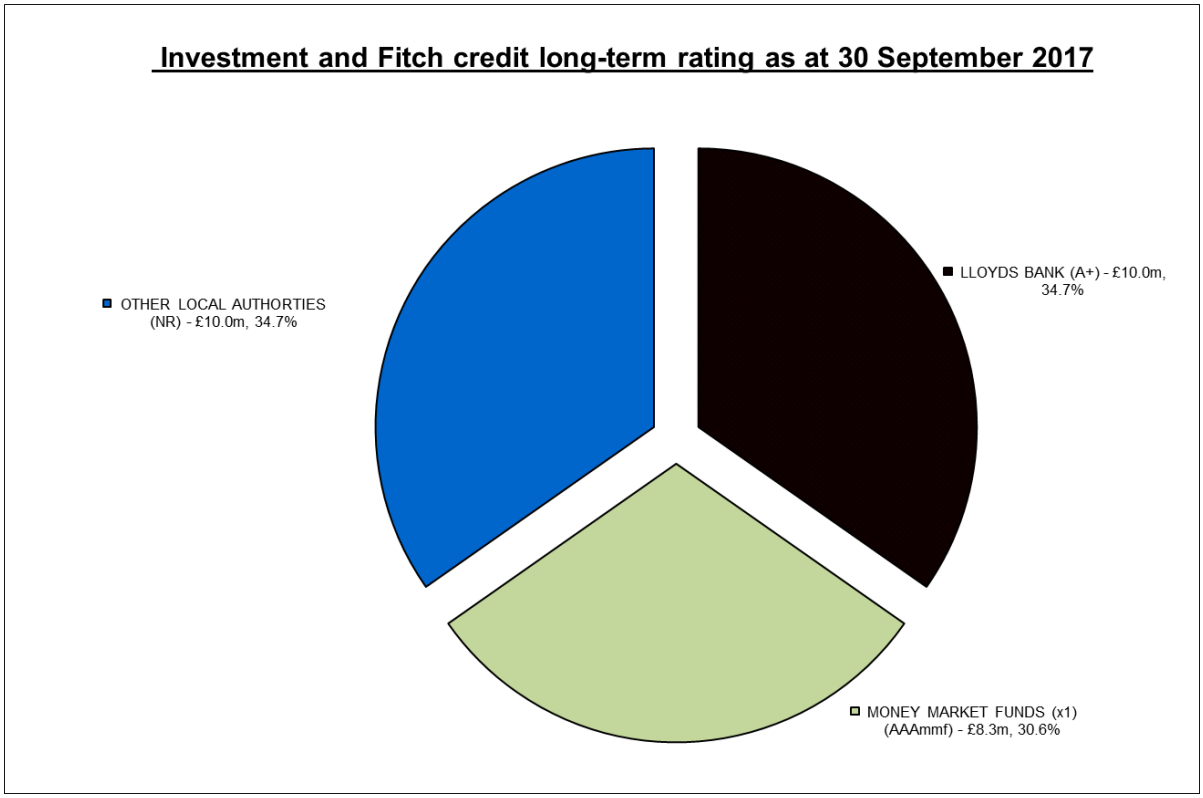
12 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

12.1 Treasury Management in the Public Services Code of Practice 2011–CIPFA
12.2 Money Market and PWLB loan rates

APPENDIX A

The charts below provide details of the Council's external investments at 30 September 2017, analysed between investment type and individual counterparties showing the current Fitch long-term credit rating.



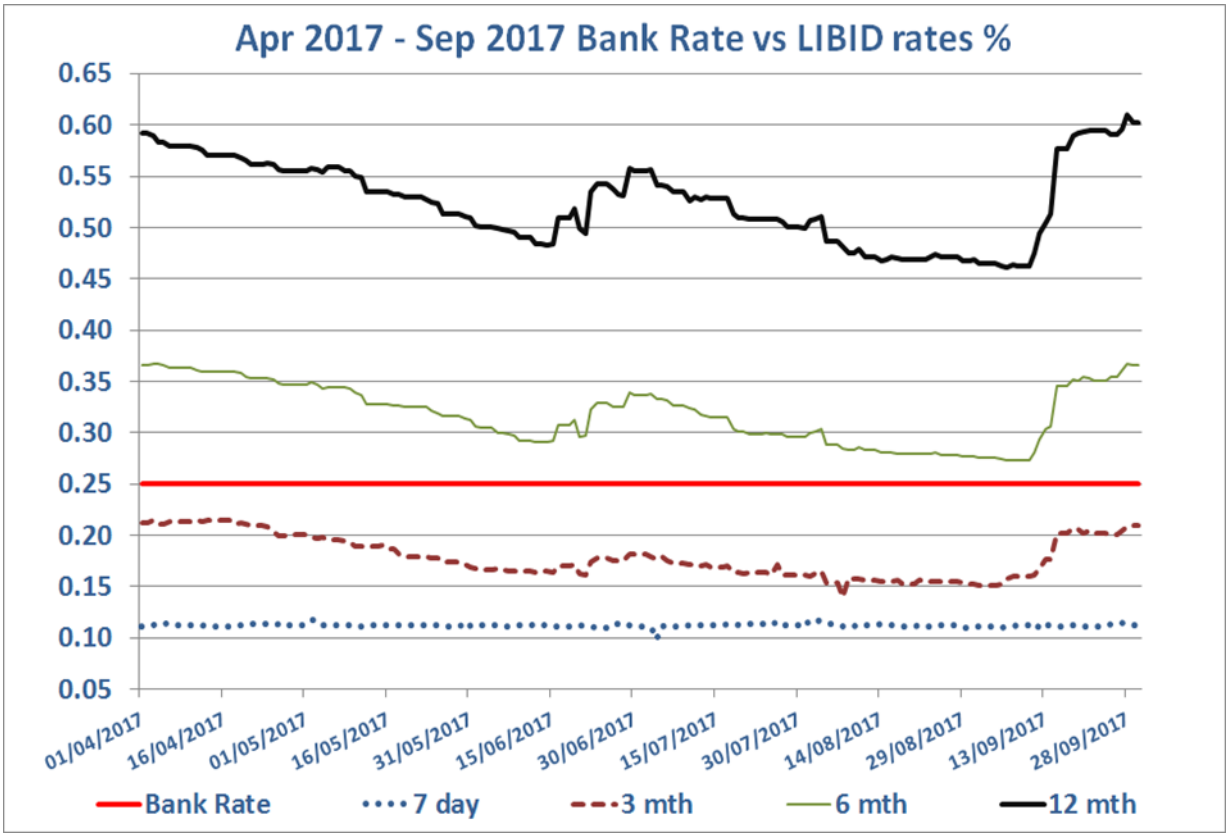


APPENDIX B

Money Market Data and PWLB Rates

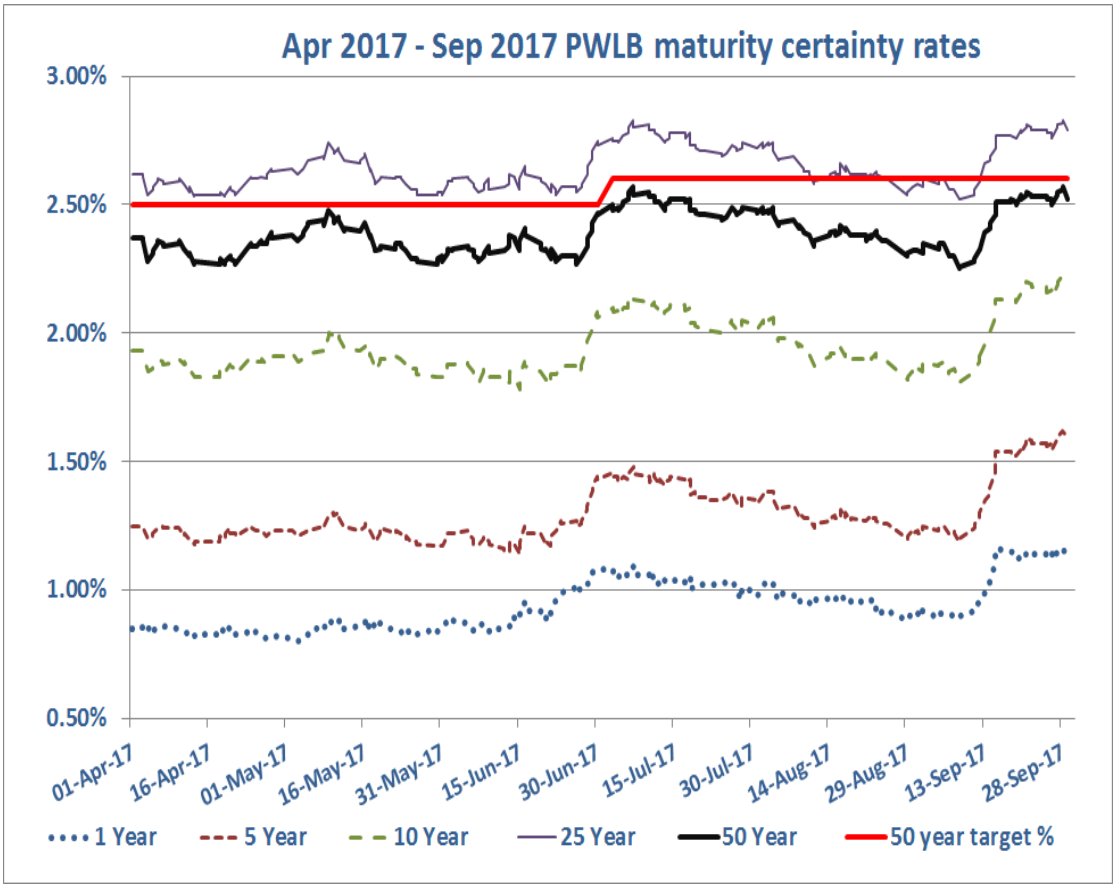
The table and graph below shows the UK Bank of England Bank Rate and LIBID benchmark rates within the short term money markets for the last 6 months.

	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.25	0.12	0.13	0.21	0.37	0.61
High Date	01/04/2017	02/08/2017	19/04/2017	11/04/2017	28/09/2017	28/09/2017
Low	0.25	0.10	0.12	0.14	0.27	0.46
Low Date	01/04/2017	04/07/2017	10/08/2017	07/08/2017	07/09/2017	06/09/2017
Average	0.25	0.11	0.13	0.18	0.32	0.53
Spread	0.00	0.02	0.01	0.08	0.09	0.15



The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date:

PWLB certainty rates 1 April 2017 to 30 September 2017



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.8	1.14	1.78	2.52	2.25
Date	03/05/2017	15/06/2017	15/06/2017	08/09/2017	08/09/2017
High	1.16	1.62	2.22	2.83	2.57
Date	15/09/2017	28/09/2017	28/09/2017	07/07/2017	07/07/2017
Average	0.9408	1.2981	1.9470	2.6475	2.3917