AUDIT AND GOVERNANCE COMMITTEE

28th September 2021

TREASURY MANAGEMENT UPDATE REPORT

Title of Report	Treasury Management Update Report 2021/22
Purpose of Report	To inform Members about Treasury Management activities for the 2021/22 Financial Year to date, in accordance with CIPFA's *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*.
Recommendations	To note the Treasury Management Update Report.
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MAIN REPORT CONTENTS

1. Background

The Council's Treasury Management Strategy Statement (TMSS) for 2021/22 was approved by the Council in February 2021. The Council borrows and invests 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. The successful identification, monitoring and control of risk is therefore central to the Council's TMSS.

The Council's Treasury Management activity is underpinned by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Ministry for Housing Communities and Local Government (MHCLG) revised Investment Guidance which came into effect from April 2019. The CIPFA Code requires that members be informed of treasury management activities at least twice a year. This mid year report ensures the Council is embracing best practice in accordance with CIPFA's recommendations.

The Prudential Code includes a requirement for local authorities to provide a Capital Strategy, which is a summary document covering capital expenditure and financing, treasury management and non-treasury investments and should be approved by full council. The Council's Capital Strategy, in accordance with CIPFA's requirement, was approved by full Council in February 2021.

This report considers the Treasury Management activities in relation to the TMSS for 2021/22. It includes a summary of the current economic climate, an update on the borrowing strategy, a review of current investments and compliance with prudential indicators.

2. The Economy to August 2021

Economic Background: Treasury Management is operating in a period of unprecedented uncertainty. Economic resurgence from the coronavirus pandemic continued to dominate the first quarter of the financial year. The Bank of England (BoE) held Bank Rate at 0.1% throughout the period to August 2021 and maintained its Quantitative Easing programme at £895 billion, unchanged since the November 2020 meeting. In its June 2021 policy announcement, the BoE expected the economy to experience a temporary period of strong GDP growth and above-target CPI inflation, after which growth and inflation is expected to fall back.

Government initiatives continued to support the economy, following the range of measures announced by the Chancellor in the 2021 Budget, which included extending the furlough (Coronavirus Job Retention) scheme until September 2021. The latest labour market data showed that in the three months to April 2021 the unemployment rate fell to 4.7%, although it is likely that labour market slack has remained higher than implied by this measure. Latest data showed growth in average total pay (including bonuses) and regular pay (excluding bonuses) among employees was 5.6% for the three months February to April 2021. The seemingly high growth partly reflected a base effect from a decline in average pay in the spring of last year, associated with the reduced pay of employees on the furlough scheme.

Annual CPI inflation rose to 2.1% in May on the back of the reduction of base rate to 0.1% in spring 2020 and partly due to higher energy and commodity prices and supply-side bottlenecks. The BoE expects inflation to exceed 3% for a temporary period. The ONS' preferred measure of CPIH which includes owner-occupied housing was also 2.1% year/year, marginally higher than expectations.

The re-imposition of restrictions on activity in the first quarter of calendar 2021 year resulted in GDP falling 1.6% in Q1. GDP growth was strong in April at 2.3% with the partial easing of restrictions on non-essential retail and outdoor hospitality. Housing market activity remained strong, aided by the extension of the stamp duty threshold and an increase in mortgage approvals for house purchases.

Financial Markets: Ongoing monetary and fiscal stimulus together with improving economic growth prospects and successful vaccine rollout programmes continued to boost equity markets over the period. The Dow Jones reached a record high during the period while the UK-focused FTSE 250 index was back above pre-pandemic levels and the more internationally focused FTSE 100 had recouped around three-quarters of 2020 losses.

Inflation worries continued during the period but declines in bond yields between April and June suggest bond markets may be expecting any general price increases to be less severe, or more transitory, that was previously thought.

The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.32% by the end of June 2021. Over the same period the 10-year gilt yield fell from 0.80% to 0.71%, despite jumping to 0.90% in May. The 20-year yield declined from 1.31% to 1.21%.

The Sterling Overnight Rate (SONIA) averaged 0.05% over the period to 1st September 2021.

Credit review: Credit default swap spreads, which are used to give an indication of how the market views the credit risk of an entity, were relatively flat over the period and remain only slightly above their pre-pandemic levels. The gap in spreads between UK ringfenced and non-ringfenced entities remained, and Santander UK remained an outlier compared to the other ringfenced / retail banks. The United Kingdom's outlook has been revised to stable from negative.

The successful vaccine rollout programme is credit positive for the financial services sector in general, but there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions and durations on the Council's counterparty list remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

3. Borrowing Strategy 2021/22

At 31st March 2021, the Council's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £393.7 million. Actual external borrowing was £261.8m at this date and £97.1m of other long term liabilities associated with the Council's PFI schemes and Waste finance lease – a total of £358.9 million. The shortfall was funded by £34.8 million of internal borrowing.

The Council has an approved capital programme in 2021/22 funded from grants, revenue contributions, internal borrowing, capital receipts and reserves. The borrowing strategy for 2021/22 is to hold any borrowing requirement internally and ensure all long term debt due to mature in the financial year is repaid. Five loans will mature before the end of the financial year totalling £15.1million - all will be repaid in full.

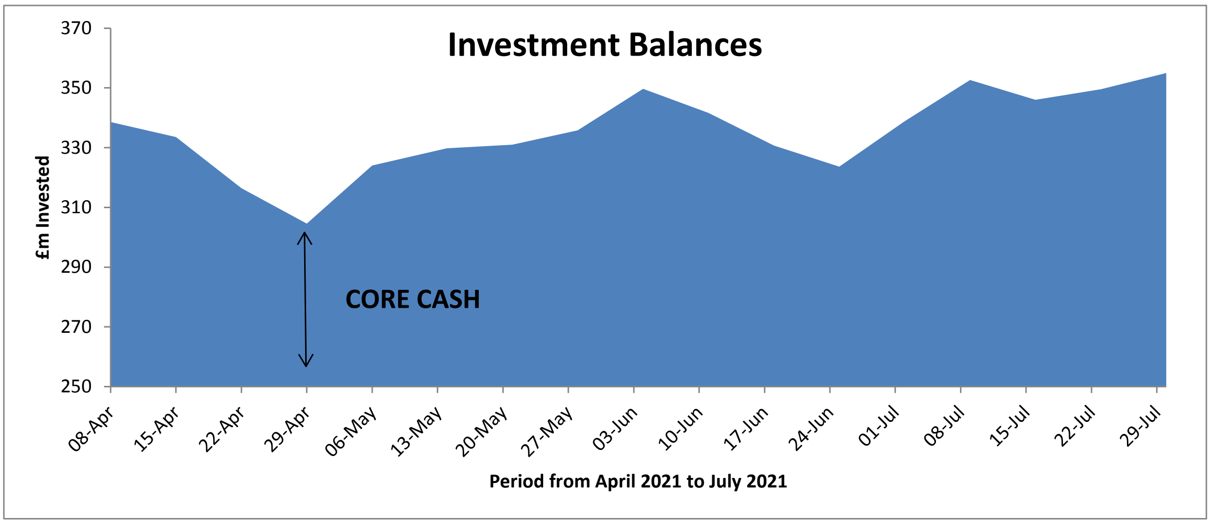
Any shortfall between the underlying need to borrow for capital purposes and total external debt will be funded from internal borrowing because it continues to provide the best value for funding new capital expenditure, as well as being a low risk option. The Council can externalise the external debt by borrowing from the PWLB, however new requirements mean that the Council has to confirm that we are not planning to purchase 'investment assets primarily for yield' in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Corporate Director for Resources.

Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. All of our current capital schemes comply with the PWLB requirements.

Currently the average loan cost for the Council is 4.65%, (4.70% on the PWLB portfolio, 5% on other fixed loans and 4.23% on the LOBO loans) – this compares to an average of 4.81% at the same point in 2020/21. The premium charge for early repayment of PWLB debt has remained expensive for the loans in the Council's portfolio and therefore unattractive for debt rescheduling or early redemption activity. No rescheduling activity has been undertaken as a consequence. The borrowing strategy will be kept under review to ensure the funding methods remain appropriate. The current maturity profile for the Council is shown in Appendix B.

4. Investment Strategy 2021/22

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. Cash flow analysis during the period April 2021 to date has shown that the Council's investment balances ranged between £304.6 million and £355.0 million as shown below, giving a core cash position of up to £304.6 million (ie balances that could theoretically be invested for longer periods):



Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Councils objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Ultra low short-dated cash rates which have been a feature since March 2020 when Bank Rate was cut to 0.1% have resulted in the return on sterling low volatility net asset value money market funds (LVNAV MMFs) being close to zero even after some managers have temporarily waived or lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee waivers should maintain positive net yields, but the possibility cannot be ruled out.

Our longer duration strategy and move into more strategic investment funds has helped to protect some interest income over the medium term and the Council is continuing to explore ways of increasing yield whilst ensuring security and liquidity principles.

The current year budget for interest earned is £3.6 million and the current forecast is that this will be exceeded by £0.9 million in 2021/22 – as reflected in the latest Financial Monitoring Report to Cabinet. Although down on previous years this is still a positive position and reflects the better diversification of investments, longer durations and more investments being within strategic funds.

The average income return on investments as at the end of June 2021 is 1.43%. This compares to a 1.50% income return at the same point in 2020/21. Including capital return within these figures increases the return to 3.3% as at June 2021, compared to a loss of 0.27% at the same point in 2020. The reason for the improved position in total return is due to the recovery of capital value of our strategic funds following the Covid pandemic and return to normality. It should be noted that the strategic investments are viewed as long term investments and despite fluctuations in capital value they have all continued to pay out regular dividends throughout the Covid pandemic, thus maintaining income returns.

The graph at Appendix C shows the performance of the Council from the income only return (ie excluding capital gains and losses) compared to other local authorities and the graph at Appendix D shows the rate of return against the Council's risk appetite in comparison to other councils. Both graphs show that the Council's performance exceeds average rate of return achieved by other local authorities.

Internally Managed Funds

As at 7th September 2021 the Council had a number of longer term deposits totalling £132 million. This includes £47 million longer term investments with other local authorities, a Property Fund (£30 million) and longer dated strategic funds (£55 million).

On a shorter term the Council makes regular fixed term deposits for up to one year with UK banks, subject to duration limits advised by Arlingclose (current limit 35 days), other local authorities and selected Housing Associations. Liquidity is maintained through the use of call facilities and money market funds (MMF's).

Externally Managed Pooled Funds

£95.0 million of the Authority's investments are held in externally managed strategic pooled, bond (MMF+), equity, multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an average total return of £3.1 million which is used to support services in year.

Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the aim that over a three- to five-year period total returns will exceed cash interest rates. Capital values on all of the funds have improved on the year end position reflecting the improved market sentiment in the past few months. These funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's medium to long-term investment objectives are regularly reviewed.

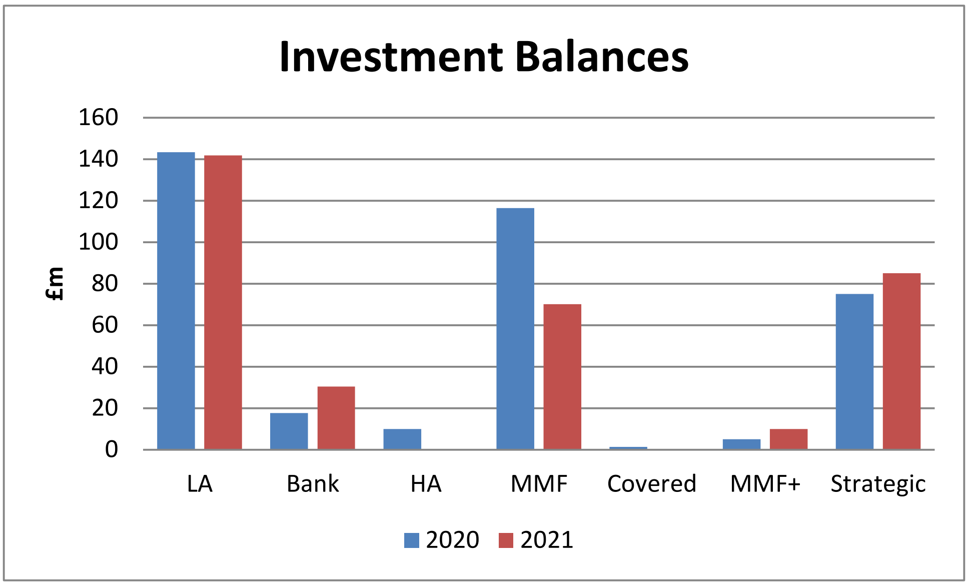
The following details the maturity profile of internal and pooled balances as at 7th September 2021:

Fund Type / Duration	%	£m
Callable and cnav MMF	25.28%	85.215
Vnav MMF (1-3 days notice)	2.97%	10.000
Under 3 months	13.89%	46.830
95 day notice A/C	4.45%	15.000
3-6 months	4.45%	15.000
6-12 months	9.79%	33.000
Over 12 months (incl Longer Dated Funds)	39.16%	132.000
	100.00%	**337.045**

Callable and cnav MMF's are represented by an instant access HSBC bank account and three instant access MMF's. The Vnav MMF of £10 million, although cash can be accessed within 2 days, is managed externally and this fund is subject to volatility on the principal value resulting in capital gains and losses. A detailed breakdown of approved and current investments as at 7th September 2021 is provided at Appendix A.

Investment Activity to Date

Given the increasing risk and low returns from short-term unsecured bank investments, there has been a slight change in how investments are distributed at the Council with very little use of banks (other than use of a HSBC call facility currently paying 0.01% and a Santander notice account currently paying 0.3%) and an increase in longer term local authority investments and strategic funds. This is shown below:



Bank durations are currently restricted, per our advisors, to 35 days which means there is little value in placing deposits with them. Best bank rates for 35 days are 0.04% with banks on our current lending list, offering little value to the Council. Short term local authority investment is similar, with very poor rates on offer (0.02% for 6 months and 0.08% for 1 year). As a result durations have increased to our maximum of two years where possible to increase yield, although best rate obtained this year to date has been 0.40%.

Use of MMF's has increased in the short term as these now offer an alternative liquidity source due to poor bank and local rates. MMF's tend to be more secure as they are diversified over many institutions, rather than being concentrated in one name. Rates in MMF's have slowly been reducing since the start of the financial year (range is now 0.0% - 0.07%), however with little alternative being available money has been left in these instruments. Cash plus funds are being explored as an alternative, offering increased yield for a slightly longer duration.

The governments own Debt Management Office continues to offer rates fixed at 0.01% up to 6 months regardless of the duration. Investment activity to date is shown in the table below.

Investments	Balance on 31/03/2021	Investments Made	Maturities/ Investments	Balance on 07/09/2021	Avg Rate (%)
Short term Investments (call accounts, deposits)					
- Banks and Building Societies with ratings of A- or higher	42.7	206.0	-218.6	30.1	0.2
- UK Government	0.0	0.0	0.0	0.0	0.0
- Local Authorities	111.8	0.0	-17.0	94.8	1.0
Long term Investments					
- Strategic Funds	75.0	10.0	0.0	85.0	4.5
- Covered Bonds/ FRN (secured)	1.4	0.0	-1.4	0.0	0.0
- Local Authorities	36.1	15.0	-4.1	47.0	0.6
Money Market Funds	60.0	95.5	-85.3	70.2	0.0
Pooled Funds	5.0	5.0	0.0	10.0	0.7
TOTAL INVESTMENTS	**332.0**			**337.1**	
Increase/ (Decrease) in Investments £m				5.1	

Security of capital remains the Council's main investment objective. This was maintained during the first part of the financial year by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2021/22. This restricts new investments to the following:

- interest-bearing bank accounts,
- fixed term deposits and loans,
- callable deposits and loans where the Council may demand repayment at any time (with or without notice),
- callable deposits and loans where the borrower may repay before maturity, but subject to a maximum of £30 million in total,
- certificates of deposit,
- bonds, notes, bills, commercial paper and other marketable instruments,

- shares in money market funds and other pooled funds, and
- reverse repurchase (repo) agreements,
- Real Estate Investment Trusts.

Credit Risk: Counterparty credit quality was assessed and monitored in line with the approved Treasury Management Strategy.

5. Responsible Investment Policy

The Council has developed and implemented a Responsible Investment Policy for treasury activity. The Council is currently working with our treasury advisors on a thematic fund selection. This will allow the Council to select funds that meet the agreed 2019 Council Motion, which rules out new investments in fossil fuel companies.

As part of the 2021/22 treasury activity to date it is confirmed that all direct investments have fully complied with the Council's treasury policy. Additional funds of £10m have been placed into two existing strategic funds, CCLA Diversified Investment Fund, which has a fossil fuel exclusion policy, and Fidelity Global Fund which does not currently have direct exposure to any companies engaging in fossil fuel extraction.

6. Compliance with Prudential Indicators

The Council can confirm that it has complied with its Prudential Indicators for 2021/22, which were set in February 2021 as part of the Council's TMSS.

Details can be found in Appendix E.

7. Outlook for the rest of the year

The medium-term global economic outlook has continued to improve with the rollout of vaccination programmes. The UK has continued to benefit from its initial rapid vaccine rollout and has shifted focus onto second vaccinations to increase protection to counter a third wave of Covid variant.

While downside risks seem to have fallen somewhat after recent trends in GDP and labour, the upside risks remain relatively balanced with the MPC reiterating its commitment not to tighten policy until there is clear evidence that the recovery is eliminating spare capacity in the economy.

Inflation has moved above the Bank of England's 2% target. Alongside the increase in commodity prices, the MPC has acknowledged the prospect of a sharper upturn in inflation, with the potential CPI could rise above 3% in the coming months. However, the nature of the commodity price rise and the base effect easing, this is likely a more transitory effect.

Arlingclose expects Bank Rate to remain at the current 0.10% level. The risk of movement in Bank Rate in the short term is low.

Gilt yields could continue to increase in the short term but will begin to plateau and reduce once the market's expectation of rises in Bank Rate and inflation fears subside. Longer term yields may face upward pressure towards the end of Arlingclose's forecast period as the economy moves back to a sustained footing and policy expectations start to strengthen.

	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Official Bank Rate													
Upside risk	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20

8. Summary

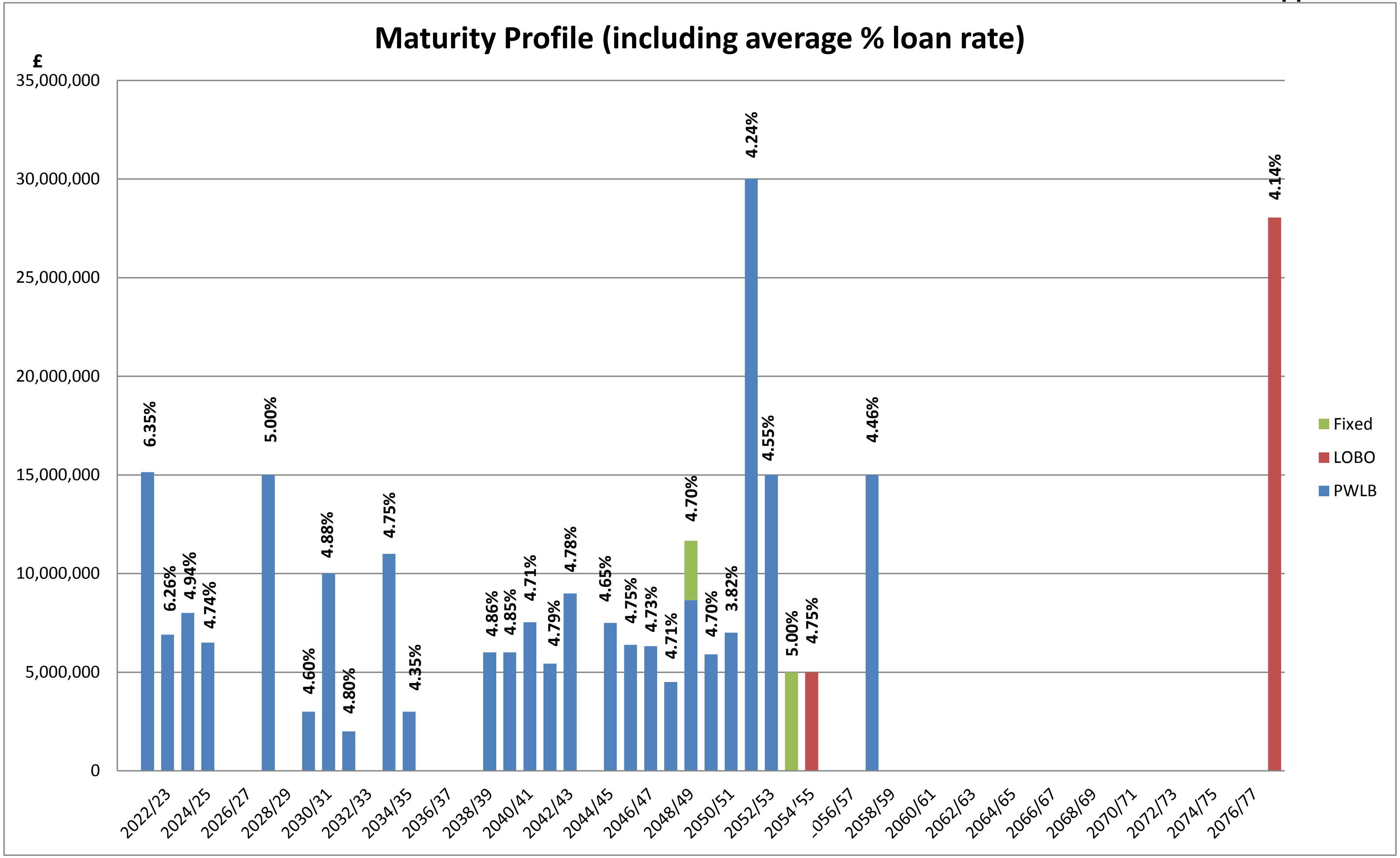
In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first period of 2021/22 to 7th September 2021. As indicated in this report none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

Appendix A

Approved List and In-House Investments as at 20th August 2021

Type	Country/ Domicile	Approved Counterparty	Current £m Unsecured	Current £m Secured	Maximum Duration Limit (Unsecured)
Term Deposits / Call Accounts / CDs / Covered Instruments	UK	Santander UK Plc	15.0	-	35 days
		Bank of Scotland Plc	-	-	35 days
		Lloyds Bank Plc	-	-	35 days
		HSBC Bank Plc	15.1	-	35 days
		Nationwide Building Society	-	-	35 days
		National Westminster Bank Plc	-	-	35 days
		Royal Bank of Scotland Plc	-	-	35 days
		Barclays Bank Plc / Barclays Bank UK Plc	-	-	35 days
		Standard Chartered Bank	-	-	35 days
	Australia	Australia and NZ Banking Group	-	-	35 days
		National Australia Bank	-	-	35 days
	Finland	Nordea Bank Finland	-	-	35 days
	Germany	DZ	-	-	35 days
		Landesbanken Baden Wuerttemberg	-	-	35 days
	Netherlands	Rabobank	-	-	35 days
	Singapore	DBS	-	-	35 days
LA / Bills	UK	Other UK Local Authorities	141.8	-	2 years
AAA-rated Money Market Funds	UK / Ireland / Luxembourg domiciled	CNAV MMFs	70.2	-	-
		VNAV MMFs (where there is greater than 12 month history of a consistent £1 Net Asset Value)	10.0	-	
Other MMFs and CIS	UK / Ireland / Luxembourg domiciled	Pooled funds which meet the definition of a Collective Investment Scheme per SI 2004 No 534 and subsequent amendments	80.0	-	-
HA's	UK	One Housing Group	-	-	2 years
		Network Homes	-	-	2 years
		Southern Housing Group	-	-	2 years
		Yorkshire Housing Group	-	-	2 years
REIT	UK	Fundamentum	5.0	-	2 years
TOTAL			**337.1**	**-**	

Appendix B



Maturity Profile (including average % loan rate)
£
35,000,000
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
0
6.35%
6.26%
4.94%
4.74%
5.00%
4.60%
4.88%
4.80%
4.75%
4.35%
4.86%
4.85%
4.71%
4.79%
4.78%
4.65%
4.75%
4.73%
4.71%
4.70%
4.70%
3.82%
4.24%
4.55%
5.00%
4.75%
4.46%
4.14%
2022/23
2024/25
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2062/63
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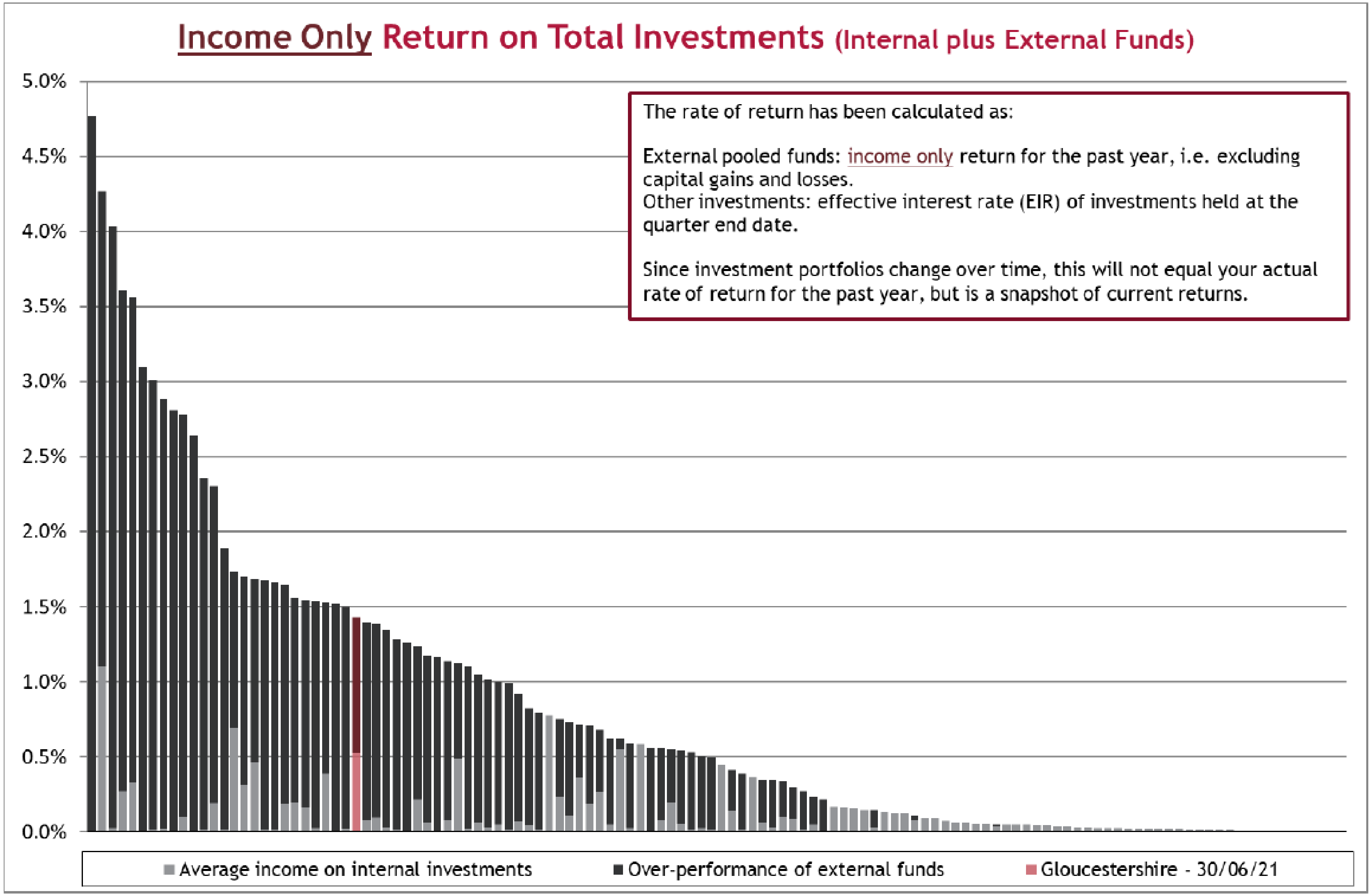
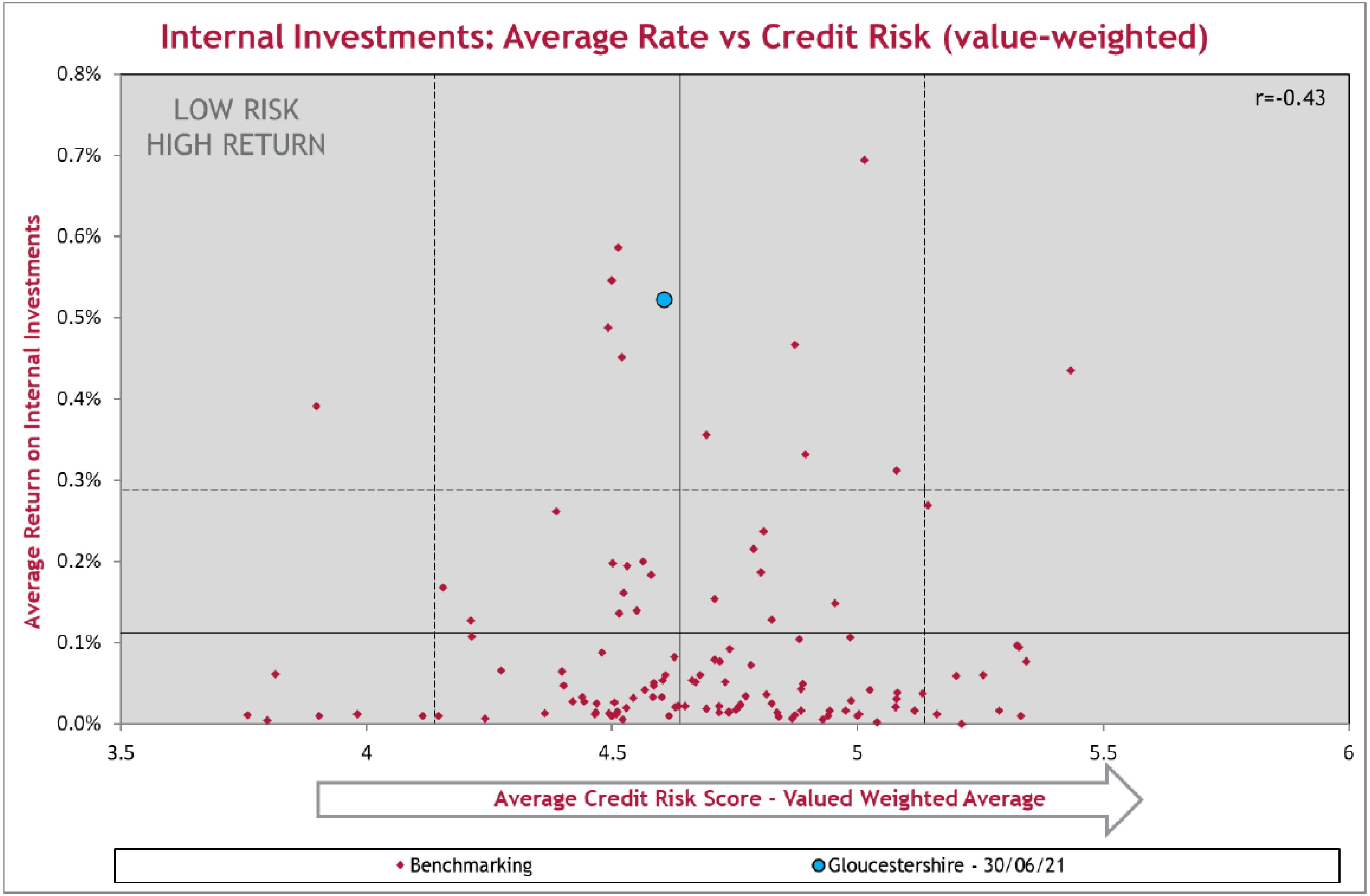
2076/77
Fixed
LOBO
PWLB

Appendix C



Source: Arlingclose limited

Appendix D



Source: Arlingclose limited

Appendix E

Prudential Indicators 2021/22

The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Capital Financing Requirement

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). Estimates of the Council's cumulative maximum external borrowing requirement for 2020/21 to 2023/24 are shown in the table below:

	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Closing CFR	393.678	422.678	440.595	449.109
Less:				
Existing Profile of External Borrowing	261.823	247.678	240.778	232.778
Other Long Term Liabilities (PFI)	97.070	95.893	94.425	93.157
Cumulative Maximum External Borrowing Requirement	**34.785**	**79.107**	**105.392**	**123.174**

The Councils strategy remains to maintain maximum control over its borrowing activities as well as flexibility on its loans portfolio. The capital financing requirement is forecast to increase over the next three years as the Council invests in a number of approved capital schemes.

Authorised Limit and Operational Boundary for External Debt:

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Authorised limit and operational boundary	2020/21 Limit £m	2021/22 Limit £m	2022/23 Limit £m	2023/24 Limit £m
Total Authorised Limit for External Debt and Other Liabilities	**455.000**	**500.000**	**500.000**	**495.000**
Split: External Debt	357.930	404.107	405.575	401.843
Other Liabilities	97.070	95.893	94.425	93.157
Total Operational Boundary for External Debt	**435.000**	**480.000**	**480.000**	**475.000**
Split: External Debt	337.930	384.107	385.575	381.843
Other Liabilities	97.070	95.893	94.425	93.157

The external debt to date for 2021/22 at its peak was £269.786 million well below the limit. The headroom allows for the debt being held internally to be externalised if necessary, and for the approved financing via capital receipts to be covered should they not be received as expected.

Proportion of Financing Costs to Net Revenue Stream:

- This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income. The estimate for interest payments in 2021/22 is £11.9 million and for interest receipts is £4.5 million.

	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Proportion of Financing Costs to Net Revenue Stream	5.28%	5.26%	5.79%	5.66%

Maturity Structure of Fixed Rate Borrowing:

- This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit	Lower Limit	Actual Fixed Rate £m Borrowing as at 07/09/21	Actual Fixed Rate £m Borrowing as at 07/09/21	Actual Fixed Rate £m Borrowing as at 07/09/21	Fixed Rate Borrowing as at 07/09/21	Compliance with Set Limits?
	%	%	LOBO*	Market	PWLB	%	
under 12 months	25	0	33.050		10.145	16.5	Yes
12 months and within 24 months	25	0			11.900	4.5	Yes
24 months and within 5 years	50	0			9.500	3.6	Yes
5 years and within 10 years	75	0			28.000	10.7	Yes
10 years and within 20 years	100	0			35.536	13.6	Yes
20 years and within 30 years	100	0		3.000	70.692	28.1	Yes
30 years and within 40 years	100	0		5.000	50.000	21.0	Yes

* Note that LOBO's are included in the table above at earliest call date and not at maturity.

Note: LOBO's are shown at their earliest maturity (call) date. In reality these loans tend to be much longer term and cannot be redeemed early, unless called, without significant penalty. Barclays LOBO's are now classified as fixed loans and their maturity date is shown in the 20-30 and 30-40 years categories.

Total principal sums invested for periods longer than 365 days:

- This indicator allows the Council to manage the risk inherent in investments longer than 365 days. The limit for 2021/22 was set at £200 million, and in total the Council has £132.0 million invested for over 365 days as follows:
    - The Council has £30 million invested in the CCLA Property Fund.
    - The Council has £47.0 million invested longer term with various local authorities, periods ranging from 1 to 2 years.

- The Council has £25 million invested in multi asset funds. Although funds could be matured earlier these funds are treated as long term investments. Due to the volatile economic situation as a result of Covid 19 these funds suffered a capital loss during the last financial year, however they have continued to pay dividends well above those received from in house deposits, and are recovering well to date.
- The Council has £25 million invested in an equity funds. Although funds could be matured earlier this fund is treated as a long term investment. Due to the volatile economic situation as a result of Covid 19 these funds suffered a capital loss during the last financial year, however they have continued to pay dividends well above those received from in house deposits, and are recovering well to date.
- The Council has £5 million invested in a Real Estate Investment Fund. This is a property-backed investment that is funded by central government housing the most vulnerable people in society in supported living accommodation.