

Example Two-Pool Housing Authority

Annual treasury strategy — 2027/28 to 2077/78

Recommendations

Members are asked to:

1. approve the annual treasury strategy for 2027/28;
2. approve the prudential and treasury management indicators set out in it;
3. approve the policy on the minimum revenue provision;
4. note the counterparty policy and investment limits it contains.

Options considered

Three approaches were considered. Continuing to borrow internally against reserves would avoid external interest for a further year. But the liability benchmark shows the reserves supporting that position being consumed across the medium term. The deferral would then have to be reversed at whatever rate applied at the time. Borrowing the whole requirement of £129.0m in 2027/28 would remove that exposure but would carry the cost of holding cash the authority does not need until 2031/32. The strategy recommended takes the requirement in tranches as it arises, which is the approach that keeps the maturity profile even and leaves the timing decision to be taken on the rate available.

Key messages

The report in 11 points. Each is set out in full in the section named.

2 External context

- Bank Rate is 3.75%, cut from 4.00% on 18 December 2025.
- The authority takes its economic commentary from its treasury adviser, and does not treat any single view of rates as a basis for committing to borrow.

3 Balance sheet summary and forecast

- The capital financing requirement is £231.3m at 31 March 2028, rising to £239.8m by 31 March 2032.
- The liability benchmark peaks at £196.2m in 2031/32.

5 Borrowing strategy

- The authority expects to borrow £65.7m in 2027/28.
- New borrowing of up to £129.0m is expected to be needed by 2031/32.
- Loans are taken from the Public Works Loan Board unless the market offers better terms on a like-for-like basis, and each is reported to the Audit and Governance Committee at its next meeting.

6 Treasury investment strategy

- At least £10.0m is kept available as the minimum liquidity balance.
- Investments are made in sterling only, with counterparties meeting the criteria in the counterparty policy.
- A bank or building society must hold a long-term rating of at least A-; one that falls below it is withdrawn from use immediately.

9 Minimum revenue provision

- Minimum revenue provision of £7.9m is charged in 2027/28.

1 Introduction

This strategy is presented to members for approval before the start of the financial year. It follows the CIPFA Treasury Management in the Public Services Code of Practice and the Prudential Code for Capital Finance in Local Authorities. It is made under the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. It sets out the

authority's borrowing and investment plans, the prudential indicators against which activity will be monitored, and its policy on the minimum revenue provision.

Treasury management activity is reported to members three times a year: this strategy before the year begins, a mid-year review, and an outturn report after the year end.

The authority has formally adopted the clauses of both CIPFA Codes and maintains the treasury management practices that sit beneath them.

Members are asked to approve the treasury management strategy and the borrowing strategy set out below. They are also asked to approve the annual investment strategy and the counterparty criteria within it, and the policy on the minimum revenue provision. Finally, they are asked to approve the prudential and treasury indicators and limits, including the authorised limit for external debt.

The strategy was considered by the Audit and Governance Committee in January 2027, which recommended it to Council for approval. The Committee reviewed the counterparty policy and the liability benchmark in detail and asked for the maturity profile of borrowing to be reported alongside the strategy each year. That profile is in the portfolio section below.

2 External context

KEY MESSAGES

- **Bank Rate is 3.75%, cut from 4.00% on 18 December 2025.**
- **The authority takes its economic commentary from its treasury adviser, and does not treat any single view of rates as a basis for committing to borrow.**

Bank Rate stands at 3.75%. The sterling overnight index swap curve prices it higher, at 4.75%, by 16 September 2027. PWLB certainty rates have risen across the curve since 15 October 2025, by between 0.52 and 1.02 percentage points depending on the term. The PWLB sets its rates at a fixed margin over the equivalent gilt: 80 basis points for the certainty rate and 100 for the standard rate. The movement therefore reflects the gilt market rather than any change in margin.

The authority takes its economic commentary from its treasury adviser and has satisfied itself that the view above is consistent with its own reading of the market. It does not treat any single view of rates as a basis for committing to a borrowing decision.

Interest rate view

For planning purposes the authority has adopted the market-implied path for Bank Rate shown below as its interest rate assumption.

The strategy is not dependent on rates following that path. The borrowing requirement identified by the liability benchmark is driven by the balance sheet rather than by the rate view. The timing of any borrowing will be decided in the light of rates prevailing at the time.

The authority retains Example Treasury Advisers as its external treasury management adviser. It recognises that responsibility for treasury management decisions remains with the authority at all times, and it does not place undue reliance on its external providers. Decisions are taken having regard to all available information, of which the adviser's is one source and not the only one. The authority also recognises the value in employing external providers, to access specialist skills and market intelligence it could not maintain in-house. The services received are subject to regular review.

Market information used in preparing this report is taken from the adviser's daily rate sheet and the PWLB website.

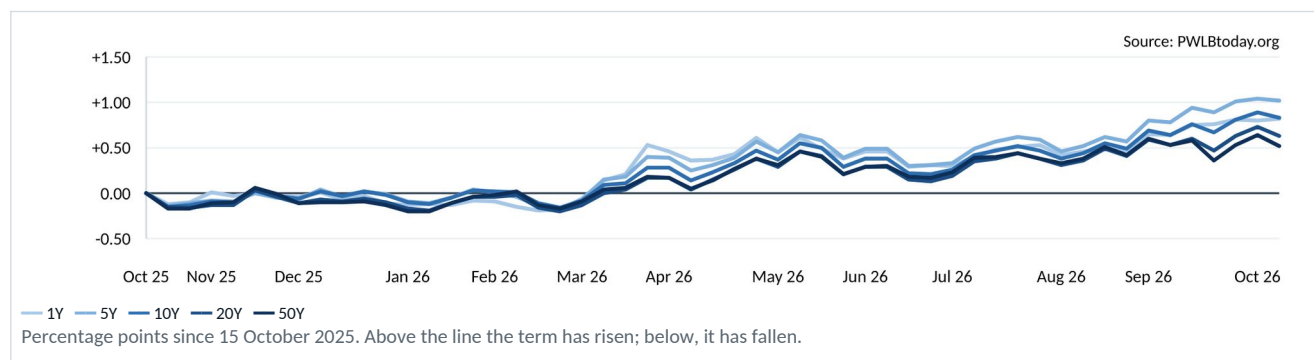
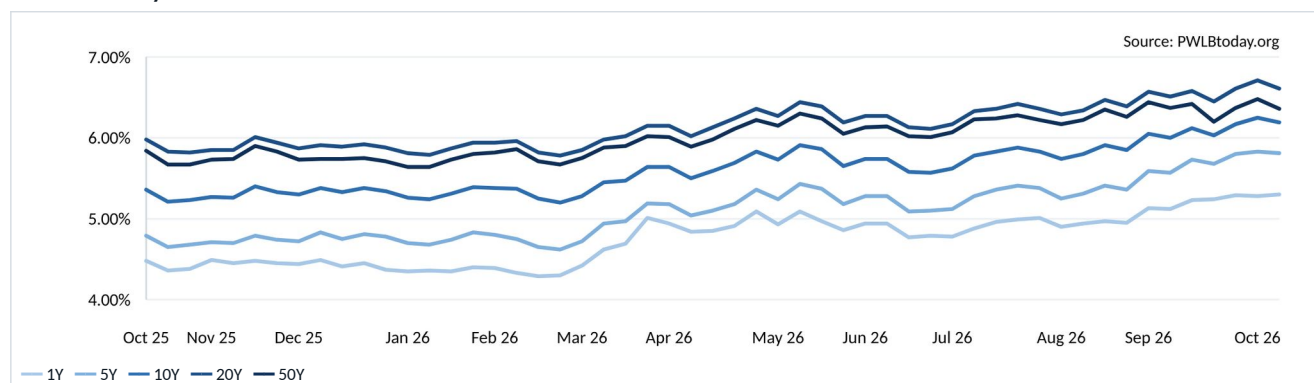
PWLB rates

PWLB rates, 14 October 2026	1Y	2Y	5Y	10Y	15Y	20Y	25Y	30Y	40Y	50Y
New loans — maturity, standard	5.50%	5.70%	6.01%	6.39%	6.67%	6.81%	6.86%	6.85%	6.75%	6.56%
New loans — maturity, certainty	5.30%	5.50%	5.81%	6.19%	6.47%	6.61%	6.66%	6.65%	6.55%	6.36%
New loans — annuity, standard	–	5.56%	5.81%	6.07%	6.30%	6.52%	6.70%	6.80%	6.86%	6.81%
New loans — EIP, standard	–	5.55%	5.80%	6.03%	6.23%	6.41%	6.57%	6.68%	6.82%	6.86%
Premature repayment — maturity	4.38%	4.49%	4.85%	5.24%	5.53%	5.68%	5.74%	5.73%	5.62%	5.43%
Round trip, maturity, certainty	0.92	1.01	0.96	0.95	0.94	0.93	0.92	0.92	0.93	0.93

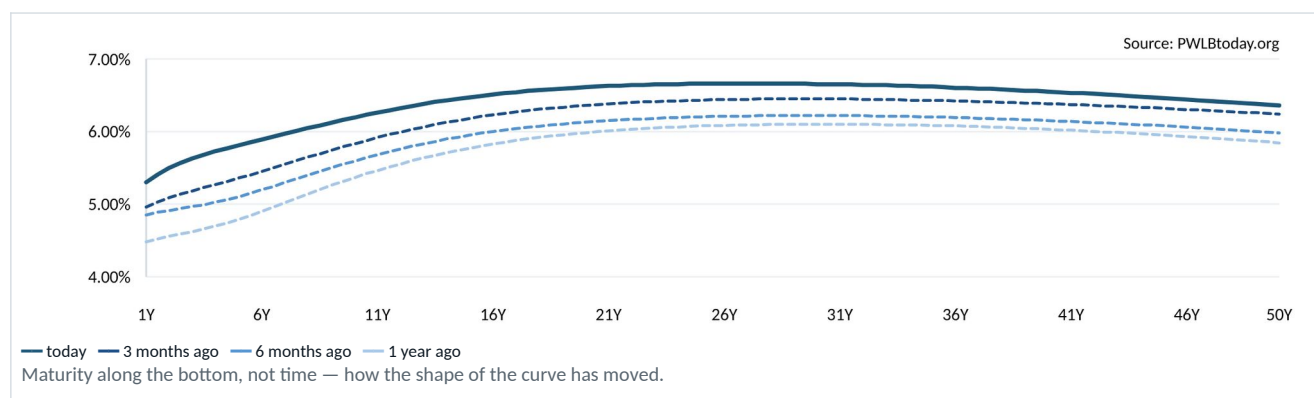
Round trip is the cost of repaying and re-borrowing the same term — new lending is set above the gilt curve and premature repayment below it, so the two do not meet. It is worked here on the certainty rate, which is 20 basis points below the standard rate and is what the authority pays to borrow. It is the first test of whether rescheduling is worth doing.

Source: PWLB published rate notices, via PWLBtoday.org

PWLB certainty rates



The curve over time



Bank Rate, market implied

now	5 Nov 26	17 Dec 26	4 Feb 27	18 Mar 27	29 Apr 27	17 Jun 27	29 Jul 27	16 Sep 27
3.75%	4.00%	4.25%	4.25%	4.50%	4.50%	4.75%	4.75%	4.75%
current	▲ +0.25	▲ +0.25	— 0.00	▲ +0.25	— 0.00	▲ +0.25	— 0.00	— 0.00

The path of Bank Rate implied by the sterling overnight index swap curve as at 14 October 2026. It is the average rate the market prices between each scheduled meeting of the Monetary Policy Committee, to the nearest 25 basis points. On this pricing Bank Rate is higher, at 4.75%, by 16 September 2027. This is what is priced rather than a forecast, and the authority does not treat it as one. Meeting dates after 17 December 2026 are the Bank's provisional schedule and may move.

Source: SONIA overnight index swap curve, via PWLBtoday.org

Certainty rate, last 12 months	1Y	2Y	5Y	10Y	20Y	25Y	30Y	40Y	50Y
Low	4.29%	4.34%	4.62%	5.20%	5.78%	5.86%	5.88%	5.82%	5.64%
High	5.30%	5.50%	5.83%	6.25%	6.71%	6.76%	6.77%	6.67%	6.48%
Latest	5.30%	5.50%	5.81%	6.19%	6.61%	6.66%	6.65%	6.55%	6.36%

Source: PWLB published rate notices, via PWLBtoday.org

PWLB certainty rates as at 14 October 2026, from the PWLB's own published notices, compiled and dated by PWLBtoday.org. The PWLB resets its rates each working day.

3 Balance sheet summary and forecast

KEY MESSAGES

- The capital financing requirement is £231.3m at 31 March 2028, rising to £239.8m by 31 March 2032.
- The liability benchmark peaks at £196.2m in 2031/32.

The authority's capital financing requirement is £231.3m at 2027/28, against other balance sheet items of £60.5m, giving a net treasury position of £170.8m. Of the requirement, £146.2m is the General Fund's and £85.1m the Housing Revenue Account's. On the authority's own projections the requirement falls to £51.3m by 2077/78 as the minimum revenue provision is charged. No assumption is made about capital budgets not yet approved.

£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Capital financing requirement	231.3	233.6	235.7	237.8	239.8	231.6	223.7	216.0	208.7	201.6
Other balance sheet items	(60.5)	(58.7)	(57.0)	(55.2)	(53.6)	(52.0)	(50.5)	(48.9)	(47.4)	(46.0)
Net treasury position	170.8	174.9	178.7	182.6	186.2	179.6	173.2	167.1	161.3	155.6

The interest and income figures in this report assume new borrowing of £65.7m drawn in the third quarter at 6.19%, the ten-year PWLB certainty rate on the report date. Interest on the debt already held is charged loan by loan, at each loan's own rate. On what is still outstanding in 2027/28 that averages 2.64%. Loans that fall due are replaced within the new borrowing. The LOBO is assumed to be repaid at its next call date, 15 March 2027. Investment returns are assumed at 4.26%, the return the investments in the deal list are earning in 2026/27, on balances of about £10.0m, held at that level across the forecast.

The rate view behind those assumptions is the market-implied path shown in section 2, taken on the report date and not updated since. The figures are most sensitive to the timing of the drawdown rather than to the rate on it: a quarter's delay is worth more to the outturn than twenty-five basis points on the loan.

4 Current portfolio position

Existing loan commitments are £115.1m at 2027/28, against a capital financing requirement of £231.3m. Existing investment commitments at that year end are £1.7m, and the net treasury position is £170.8m.

£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Existing loan commitments	115.1	110.0	77.5	72.4	67.2	62.0
Existing investment commitments	1.7	0.5	0.0	0.0	0.0	0.0
Net treasury position	170.8	174.9	178.7	182.6	186.2	179.6

Debt held at 30/09/2026

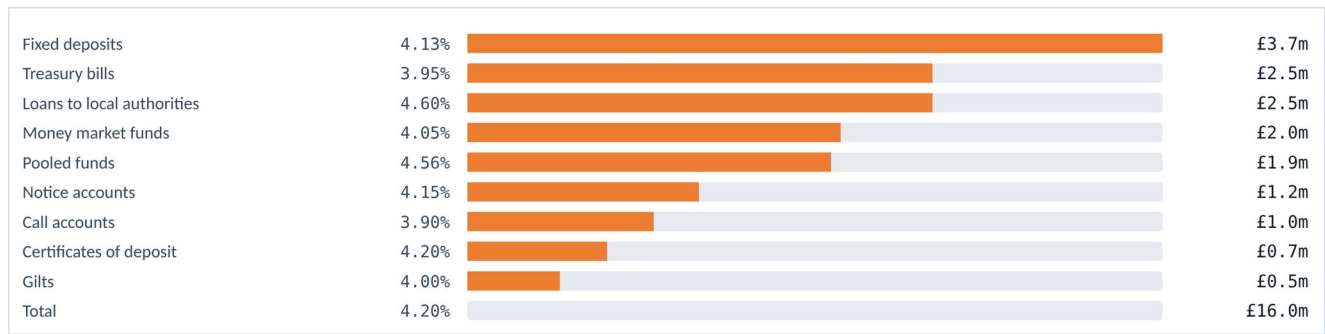
PWLB	2.57%		£95.8m
Market	2.80%		£27.4m
LOBO	4.50%		£13.7m
Temporary	4.30%		£13.7m
Total	2.95%		£150.6m

When the debt falls due

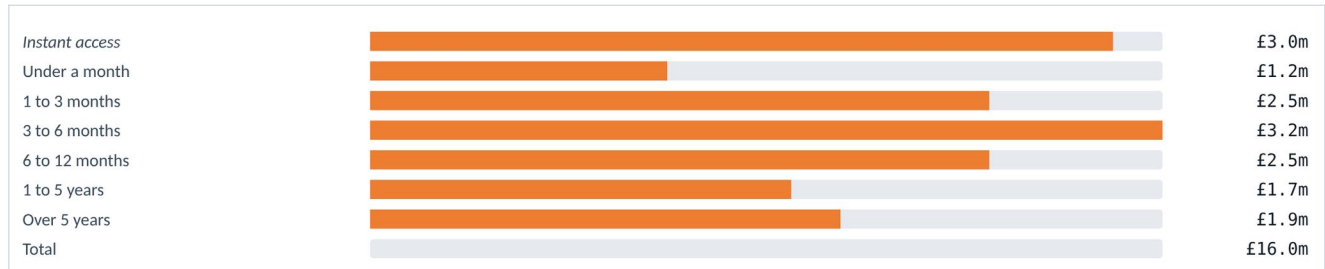
Within a year		£30.4m
1 to 2 years		£5.1m
2 to 5 years		£42.7m
5 to 10 years		£26.2m
10 to 20 years		£46.2m
Total		£150.6m

From the authority's deal list, as at 30/09/2026.

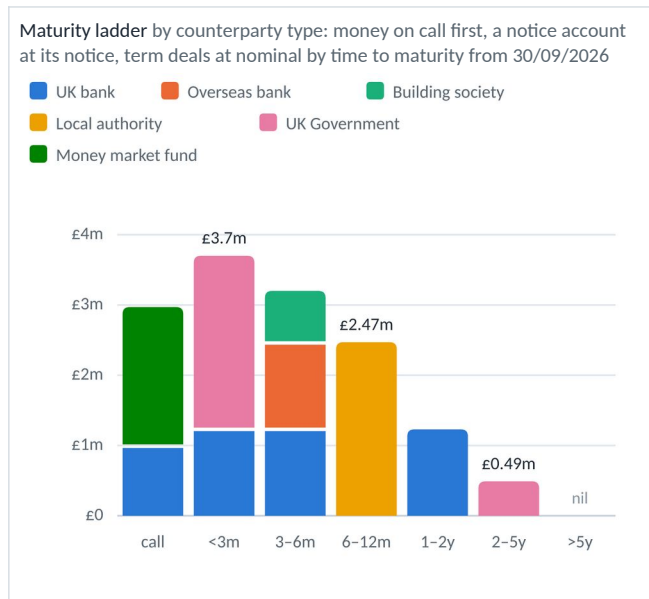
Investments held at 30/09/2026



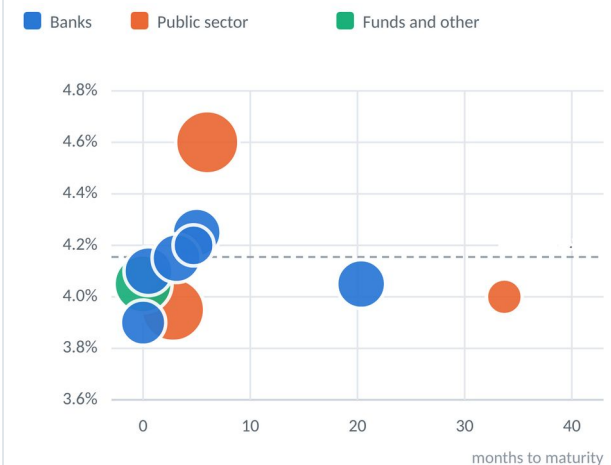
When the investments come back



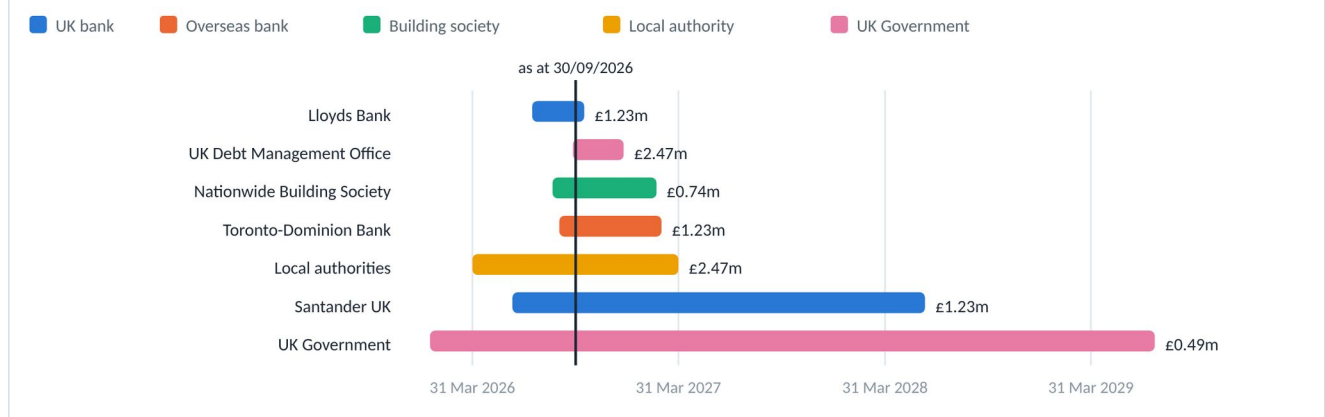
The investment portfolio at 30/09/2026, from the deal list



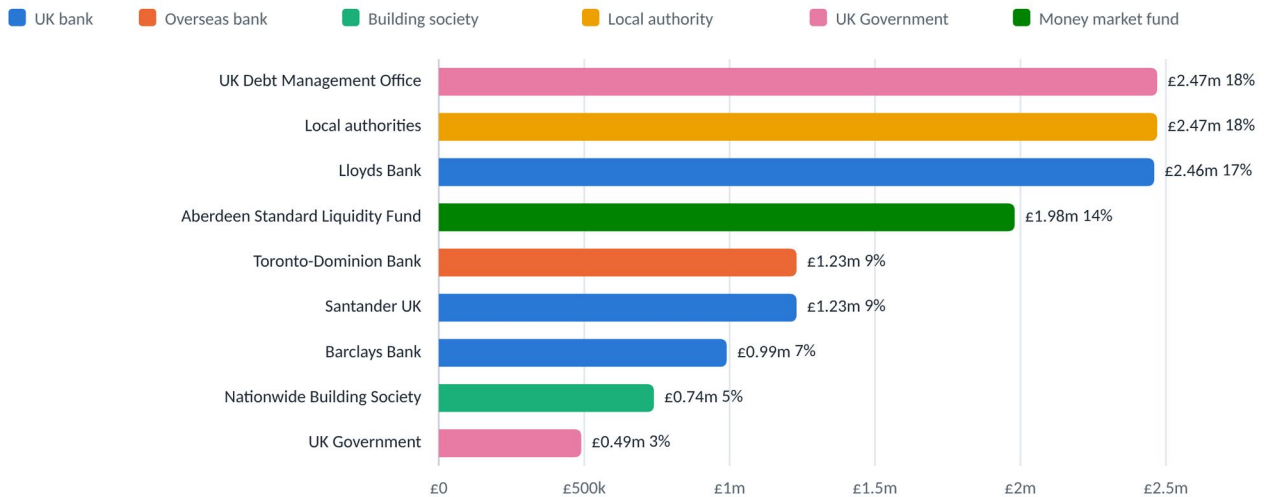
What each investment earns, and for how long rate against months to maturity, sized by amount; the dashed line is the weighted average



When each deal comes back every term deal from its start to its maturity, a row per counterparty, soonest back first; the year ends are marked

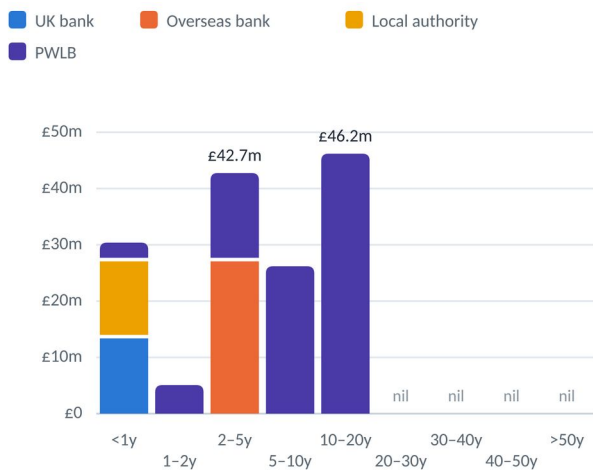


Exposure by counterparty term deals at nominal and call balances together, largest first

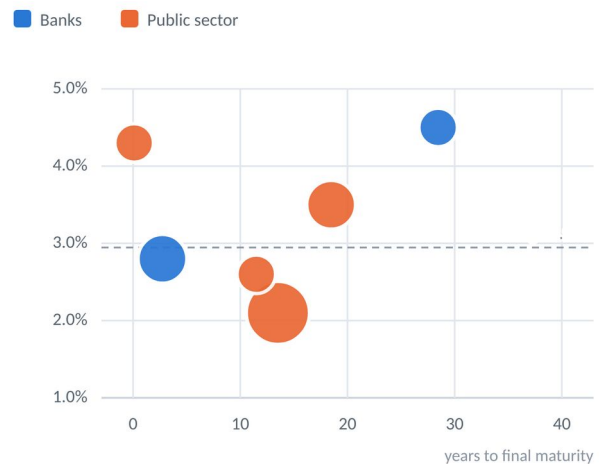


The loan portfolio at 30/09/2026

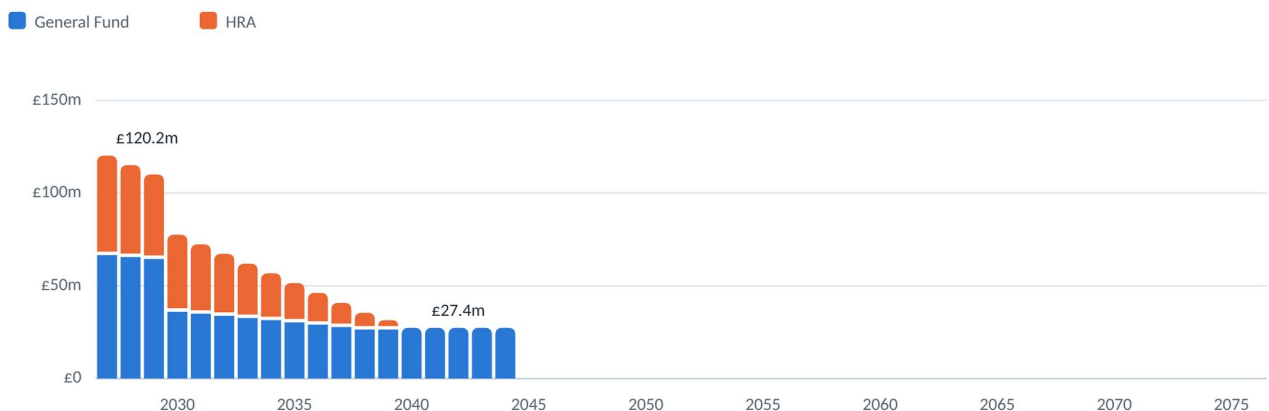
Maturity structure of borrowing principal repaid in each period from 30/09/2026, by lender type; EIP and annuity loans by instalment, LOBOs at their next call



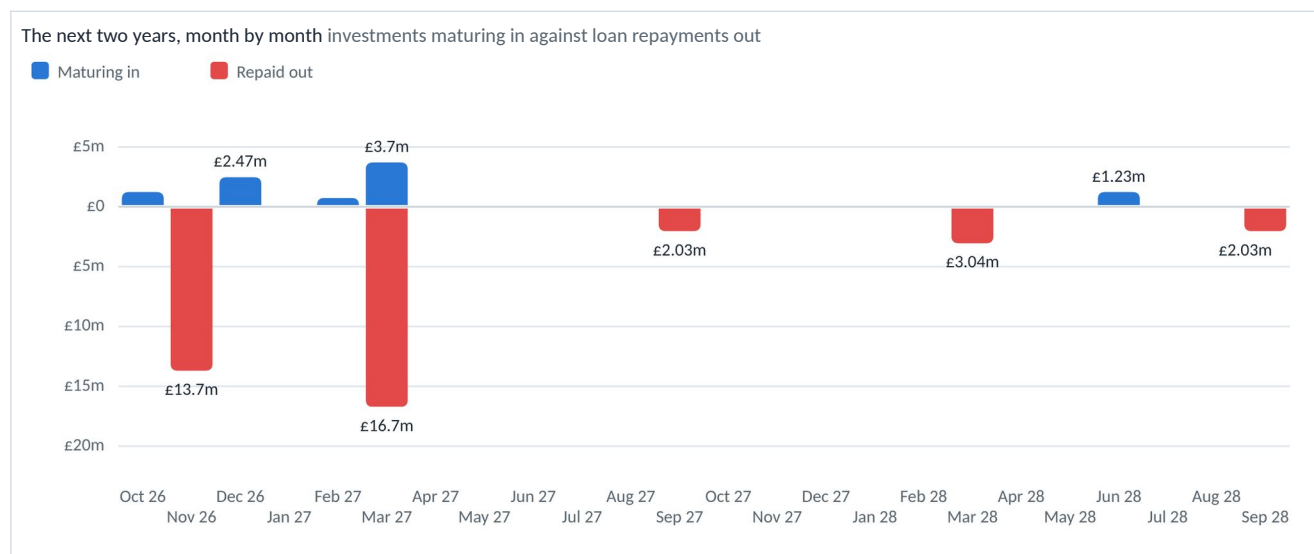
What each loan costs, and for how long rate against years to final maturity, sized by principal outstanding; the dashed line is the weighted average



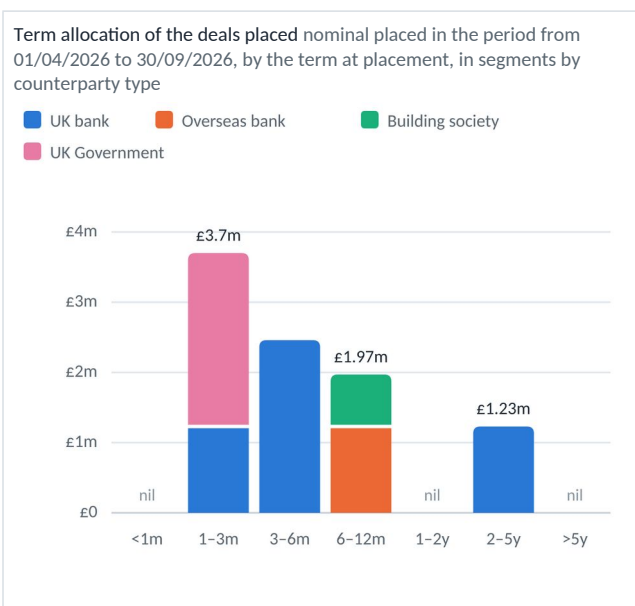
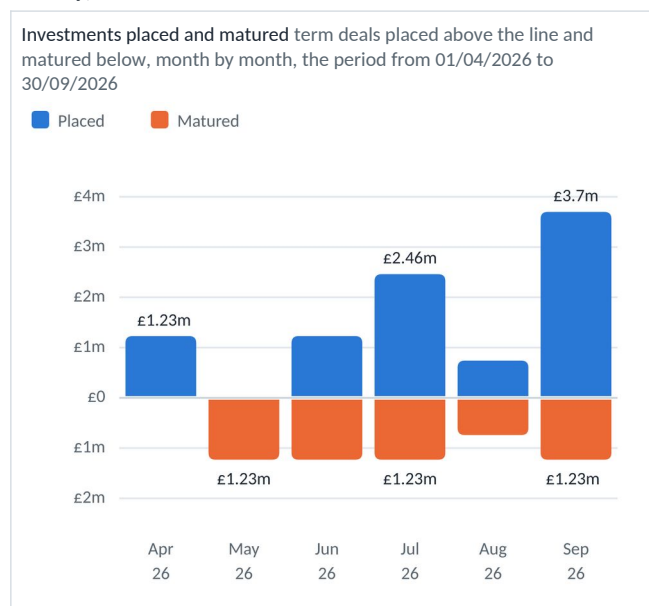
How the debt runs off principal outstanding at each 31 March over the next fifty years, by fund; EIP and annuity loans by instalment, LOBOs at their next call

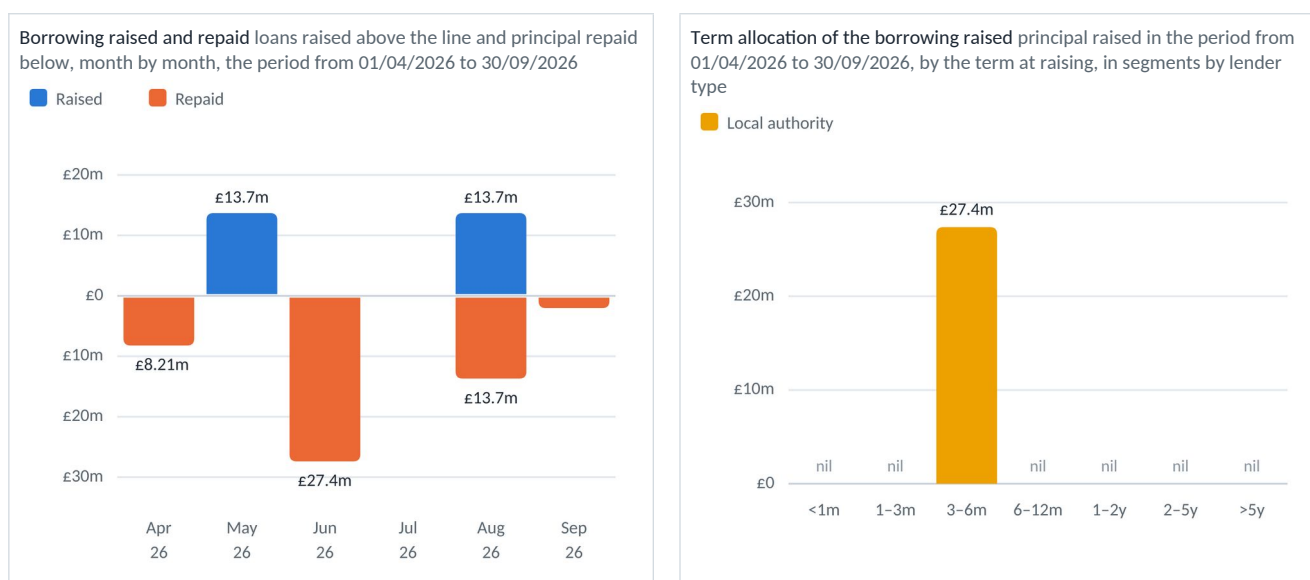


Year ends and the months ahead



Activity, 01/04/2026 to 30/09/2026





Drawn from the authority's deal list as at 30/09/2026: 15 term deals, 3 call accounts and money market funds, 10 loans and 2 pooled funds. A LOBO is taken at its next call date when that is after 30/09/2026 and before its maturity; a deal or loan that starts after 30/09/2026 is not yet held; a matured deal or a repaid loan kept in the deal list is history, read for the activity and nothing else.

5 Borrowing strategy

KEY MESSAGES

- The authority expects to borrow £65.7m in 2027/28.
- New borrowing of up to £129.0m is expected to be needed by 2031/32.
- Loans are taken from the Public Works Loan Board unless the market offers better terms on a like-for-like basis, and each is reported to the Audit and Governance Committee at its next meeting.

The liability benchmark implies a borrowing requirement peaking at £129.0m in 2031/32. Indicator LB4 sets out the profile, which determines the maturities to be sought.

The authority's primary objective in borrowing is to secure funding at a cost it can afford over the life of the assets financed, while retaining flexibility to respond to changes in its capital plans.

The authority does not borrow in order to invest primarily for financial return, and will not do so. Its borrowing is undertaken to finance capital expenditure incurred in the delivery of its statutory functions and approved service objectives.

The authority does not borrow in advance of need. Borrowing is undertaken as the cash requirement arises, in line with the profile shown in indicator LB4.

Sources considered are the Public Works Loan Board at the certainty rate, other local authorities, the National Wealth Fund where the scheme qualifies, and the market where terms are better than PWLB on a like-for-like basis.

The authority's preference is for the cheapest borrowing consistent with managing refinancing risk. That means it will not concentrate maturities in a small number of years, and will weigh the saving from short-dated borrowing against the risk of having to refinance a large amount at an unknown rate. Internal borrowing is used where it is available, recognising that it defers rather than avoids the requirement and that reserves used in this way must be replaced when they are needed.

New external borrowing of up to £65.7m is planned in 2027/28. The benchmark identifies a requirement rising to £129.0m by 2031/32. The authority expects to take it from the Public Works Loan Board unless the market offers better terms on a like-for-like basis. Any loan is authorised by the section 151 officer, or in their absence by the deputy section 151 officer, and every loan taken is reported to the Audit and Governance Committee at its next meeting.

Debt rescheduling

The authority reviews its debt portfolio for rescheduling opportunities but does not expect to undertake any in the year. Premature repayment of PWLB debt is assessed against the discount rate applying at the time. Where that rate is below the coupon on the loan a premium is payable. The authority will only repay early where the whole-life saving is demonstrable and affordable.

6 Treasury investment strategy

KEY MESSAGES

- At least £10.0m is kept available as the minimum liquidity balance.
- Investments are made in sterling only, with counterparties meeting the criteria in the counterparty policy.
- A bank or building society must hold a long-term rating of at least A-; one that falls below it is withdrawn from use immediately.

Implied treasury investments sit at the liquidity allowance of £10.0m throughout the projection: the authority is a net borrower in every year, so it holds no strategic balances beyond what it needs for day-to-day cash. Indicator LB5 sets out the split between liquidity, strategic and excess balances.

The authority's risk appetite for treasury investment is low. Its priorities are, in order, the security of the sum invested, then sufficient liquidity to meet its cash flow requirements, and only then the yield obtained. It will not sacrifice security or liquidity in pursuit of return, and where the two conflict security prevails.

Counterparties are selected against published credit criteria and are subject to both a monetary limit and a maximum duration. Credit ratings from the main agencies are used, supplemented by credit watches and outlooks so that a deteriorating counterparty is identified before a rating is formally changed. Ratings are monitored continuously and a counterparty falling below the minimum criteria is withdrawn from use immediately.

Other local authorities are approved counterparties. Before lending, the authority satisfies itself that the borrowing authority has not issued a section 114 notice. It also checks that the borrower is not subject to a capitalisation direction or other exceptional financial support that would bear on its ability to repay.

The authority has regard to the statutory guidance on local government investments issued under section 15(1)(a) of the Local Government Act 2003 in setting this strategy. The guidance requires it to prioritise security and liquidity over yield, and to disclose the risk it is prepared to accept in pursuit of return.

The authority uses externally managed and pooled funds, which have no fixed maturity date and whose capital value may fall as well as rise. These are held for the long term rather than traded, and are reviewed against their objectives at least annually. Movements in their fair value are subject to the statutory override, and the authority takes the override's current status into account in assessing the risk to the revenue account.

The authority has opted up to elective professional client status under MiFID II with the institutions with which it deals. It maintains the qualifying conditions for that status, including an investment balance above the regulatory minimum and officers with the required experience.

Balances arise from reserves, provisions, working capital and the timing difference between receipts and payments. The authority distinguishes between two balances. One is the balance it must hold to remain liquid: its minimum liquidity balance of £10.0m, set by reference to the largest short-term outflow it could face. The other is any balance held above that, which is available for investment over a longer horizon at a better return.

Instruments used are the Debt Management Account Deposit Facility, Treasury bills and gilts, money market funds, and call and notice accounts. Also used are fixed-term deposits with banks and building societies meeting the criteria in the counterparty policy below, certificates of deposit, and loans to other local authorities. Investments are made in sterling only. The authority also uses externally managed pooled funds, and holds them for their income rather than for capital growth.

Funds may be committed for up to 24 months with banks, 12 months with building societies, 36 months with other local authorities and 48 months with the UK Government, as the counterparty policy below sets out. Money market funds and call accounts are held for liquidity, and pooled funds for the long term.

The authority keeps enough of its portfolio repayable within a month to meet its day-to-day cash flow: at 30/09/2026, £4.2m, 26% of what was held.

Creditworthiness and counterparty policy

The approved counterparty list is maintained by the section 151 officer, who authorises any addition to it.

The minimum long-term rating for a bank or building society counterparty is A-, taken from Fitch and Moody's, using the lowest of the ratings held. Ratings are supplemented by credit watches, outlooks and market indicators such as credit default swap spreads, so that a deteriorating counterparty is identified before a rating is formally changed. A counterparty falling below the minimum criteria is withdrawn from use immediately and no new investment is placed with it.

Limits by counterparty type are set out in the counterparty policy below. A group of related counterparties counts as one for the purposes of the monetary limit.

An exception to these criteria may be approved only by the section 151 officer, and only where the security of the sum invested is not reduced. Any exception used is reported to the Audit and Governance Committee at its next meeting, with the reason for it and the period for which it applied.

7 Investment counterparty policy and limits

The authority may invest its surplus funds with any of the counterparty types set out below, subject to the limits shown against each. A cash limit is the maximum that may be held at any one time, and a duration limit is the longest term the authority will accept, measured from the date the investment is made.

Counterparty type	Per counterparty	Aggregate limit	Maximum duration	Minimum long-term rating
UK Government (DMADF, Treasury bills, gilts)	£15m	—	4 years	—
Other local authorities	£10m	—	3 years	—
Banks — unsecured	£5m	£5m per ownership group	2 years	A-
Building societies	£7.5m	—	1 year	A-
Money market funds	£10m	£10m per fund manager	1 year	AAA
Pooled and bond funds	£10m	£10m per sector	—	—

Durations are stated as at the date the investment is placed, and are given in months or in years: 12 months and one year are the same limit.

Conditions applying to these limits

Control	How it applies
Common ownership	A group of entities under the same ownership is treated as a single organisation for the purpose of these limits.
Credit assessment	Counterparties are assessed on ratings published by Fitch and Moody's, and the lowest available rating is used where these differ. Where a minimum rating is shown above it is the lowest long-term rating the authority will accept for that counterparty type.
A counterparty falling below criteria	Where a counterparty ceases to meet the criteria, no new investment is made with it and existing investments are held to maturity unless the section 151 officer determines that earlier recovery is in the authority's interest.
Counterparties outside the UK	The authority will use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA-.
Pooled funds	The authority may hold bond funds and property funds. These funds have no defined maturity date, so no duration limit applies to them. Exposure is controlled by the cash limit and, where shown, by fund manager. They are held for their income return and the authority accepts that their capital value will fluctuate.
Specified and non-specified investments	Investments are classified as specified or non-specified in accordance with the statutory investment guidance, and non-specified investments are limited in aggregate to £20m.
Approved instruments	The instruments approved for use are treasury bills and gilts, certificates of deposit and Supranational bonds (World Bank, EIB).
Operating within the limits	These limits are maxima. The section 151 officer may operate within tighter limits at any time, and will do so where market conditions or a counterparty's standing warrant it. Any breach is reported to members at the next available opportunity.

8 Core funds and expected investment balances

Other balance sheet items of £60.5m at 2027/28 are the reserves, provisions and working capital that let the authority borrow internally. They are set against the capital financing requirement. The liquidity allowance of £10.0m sets the treasury investment benchmark wherever the authority is net indebted.

The authority holds reserves, balances and provisions which are not required in cash immediately and which are applied, so far as is prudent, to fund capital expenditure internally rather than by external borrowing. Internal borrowing avoids the cost of carry: the difference between the rate paid on external debt and the rate earned on the cash it displaces. It is not free, though. The resources remain owed to the funds they came from, and as they are consumed the external borrowing requirement rises. That effect is what indicator LB1 shows.

The liquidity allowance is the minimum balance the authority intends to keep in treasury investments to manage the peaks and troughs of operational cash flow. It sets the treasury investment benchmark in indicator LB5 wherever the authority is net indebted.

The authority's core cash comes from reserves, provisions, balances held on behalf of others, and the working capital arising from the timing of receipts and payments. Core funds are distinguished from cash that is merely passing through: only the former can prudently be invested for a term.

Reserves and balances are projected at £60.5m at the end of 2027/28, falling to £53.6m by the end of 2031/32 as approved reserve movements take effect. The cash flow through the year has a predictable seasonal shape, with balances at their lowest in February and their highest in May. The minimum liquidity balance of £10.0m is set so that the largest short-term outflow could be met even at that low point.

Expected investment balances over the forecast are shown in indicator LB5. Where the projection shows a balance above the liquidity requirement it is available for longer-dated investment; where it falls to the liquidity requirement, the authority holds it in instant access.

9 Minimum revenue provision

KEY MESSAGES

- Minimum revenue provision of £7.9m is charged in 2027/28.

The authority is required to make a prudent provision each year for the repayment of debt incurred to finance capital expenditure. Members are asked to approve the following statement before the start of the financial year.

For capital expenditure financed by borrowing, minimum revenue provision is charged in equal instalments over the estimated useful life of the asset, beginning in the year after the asset becomes operational.

The estimated useful life of each asset is taken from the authority's fixed asset register. Provision on expenditure that does not create an asset of the authority's own is made over the period of the benefit it secures.

For finance leases and arrangements accounted for as such, the provision is equal to the principal element of the rent or charge payable in the year.

The authority may make voluntary revenue provision in addition. Where it does, the amount is reported to members and, once made, is not reversed except with their approval.

Expenditure on loans to third parties made for service purposes is provided for as the loan principal is repaid, rather than over the life of an asset, on the basis that the repayments themselves extinguish the liability. Capital receipts are not used in place of the provision.

MRP of £7.9m is charged in 2027/28 on the authority's own figures.

10 Treasury management prudential indicators

The indicators below follow the liability benchmark framework proposed in CIPFA's 2026 consultation on the Prudential and Treasury Management Codes. The authorised limit is £196.2m, the peak of the projected liability benchmark. Under those proposals the operational boundary and the maturity structure of borrowing are no longer formal indicators. Until that edition applies, the maturity structure of borrowing is still reported in this paper; the operational boundary is not.

Maturity structure of borrowing

The proportion of borrowing that falls due in each period, against the limits members approved. It is an indicator of the 2021 Treasury Management Code; the 2026 consultation proposes to remove it, and until that edition applies it is reported here.

The proportions are of all borrowing, temporary loans and LOBOs included, measured from 30/09/2026. A LOBO is placed at its next call date, when the lender may ask for repayment, rather than at its final maturity.

Maturing in	Lower limit	Upper limit	Actual
Under 12 months	0%	25%	20.2%
12 months to 24 months	0%	25%	3.4%
24 months to 5 years	0%	50%	28.4%
5 years to 10 years	0%	75%	17.4%
10 years and above	0%	100%	30.7%

Every band is within the range approved.

Interest rate exposure

The proportion of borrowing that reprices with the market, against the upper limits approved. Debt held at variable rates exposes the authority to a rise in rates within the year; debt held at fixed rates exposes it to paying above the market if rates fall.

Exposure	Upper limit	Held	Position
Debt at fixed rates	£150.6m	£123.2m	Within
Debt at variable rates	£45.2m	£27.4m	Within

Principal sums invested for more than 364 days

Indicator	Upper limit	Committed	Position
Principal sums invested beyond 364 days	£5.4m	£3.6m	Within

Gross debt and the capital financing requirement

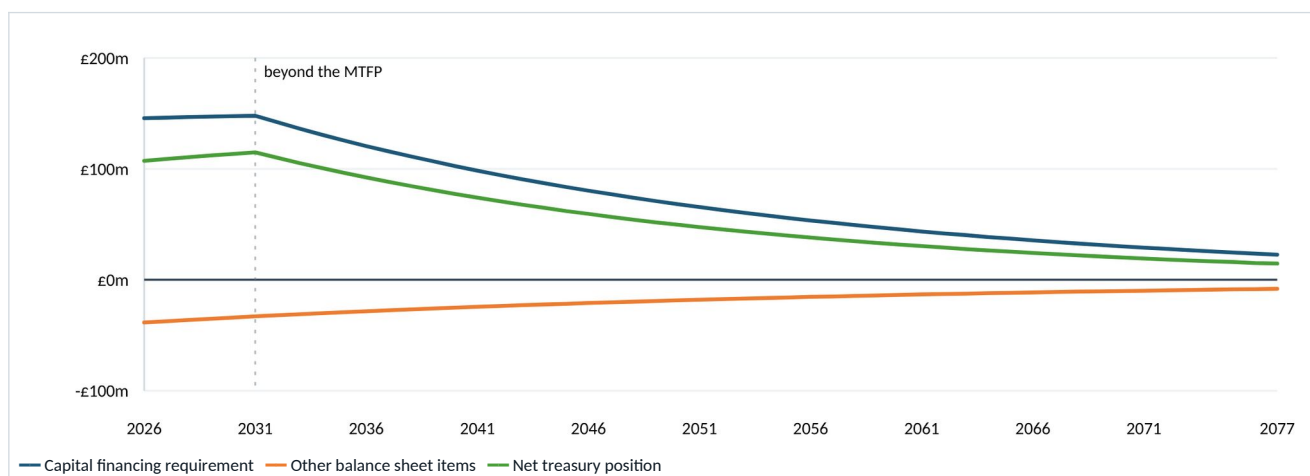
The Prudential Code asks that gross external debt does not exceed the capital financing requirement for the current year and the two following, save for a temporary or clearly explained reason. Borrowing above the requirement is borrowing for something other than the capital programme.

	2027/28	2028/29	2029/30
Capital financing requirement	£231.3m	£233.6m	£235.7m
Gross external debt	£180.8m	£184.9m	£188.7m
Headroom	£50.5m	£48.7m	£47.0m

Gross external debt is the borrowing expected at each year end: the loans already held plus the new borrowing the liability benchmark plans (the borrowing requirement in LB4). Other long-term liabilities, such as leases, are not included. Gross debt is within the requirement in all three years.

The projection is as read from the General Fund and HRA blocks of the Projections sheet in the authority's deal list (the example deal list, pwlb-example-deal-list.xlsx), as at 30/09/2026, read on 15/10/2026; existing loan commitments are the run-off of the deal list's loans, and existing investment commitments are its investments as the term deals mature.

Net treasury position — General Fund



£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Capital financing requirement	146.2	146.7	147.1	147.5	147.9	142.0	136.3	130.8	125.6	120.6
Other balance sheet items	(37.3)	(36.2)	(35.1)	(34.0)	(33.0)	(32.0)	(31.1)	(30.1)	(29.2)	(28.3)
Net treasury position	108.9	110.5	112.0	113.5	114.9	110.0	105.2	100.7	96.4	92.3

IN PLAIN TERMS

The General Fund owes, or will need to borrow, about £108.9m more than it holds in reserves and cash it can use. Everything below is about that gap — how big it gets, and when.

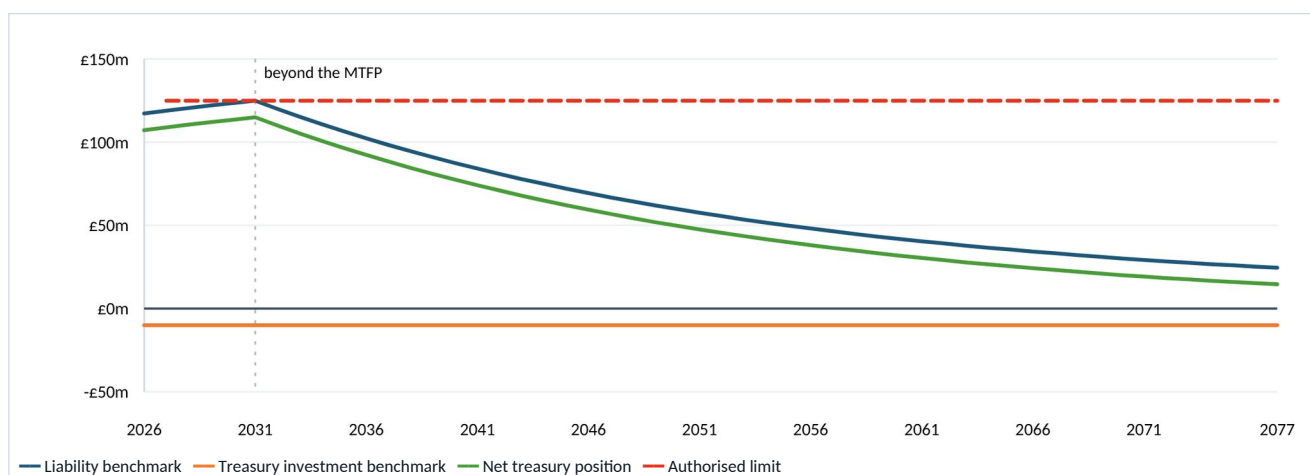
WHAT LB1 SHOWS

The capital financing requirement for the General Fund stands at £146.2m at 2027/28 and falls to £22.7m by 2077/78.

Other balance sheet items — reserves, provisions and working capital not required in cash — are £37.3m, offsetting that requirement.

The net treasury position is positive throughout, so the General Fund is net indebted across the projection, beginning at £108.9m.

Treasury benchmarks — General Fund



£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Net treasury position	108.9	110.5	112.0	113.5	114.9	110.0	105.2	100.7	96.4	92.3
Treasury investment benchmark	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Liability benchmark	118.9	120.5	122.0	123.5	124.9	120.0	115.2	110.7	106.4	102.3
Authorised limit	124.9	124.9	124.9	124.9	124.9	124.9	124.9	124.9	124.9	124.9

IN PLAIN TERMS

£118.9m is roughly the debt the General Fund would need this year if it borrowed exactly what it required and no more. It is a yardstick, not a limit. The most it could ever need on these plans is £124.9m, in 2031/32. The legal ceiling members approve is set for the authority as a whole, not fund by fund.

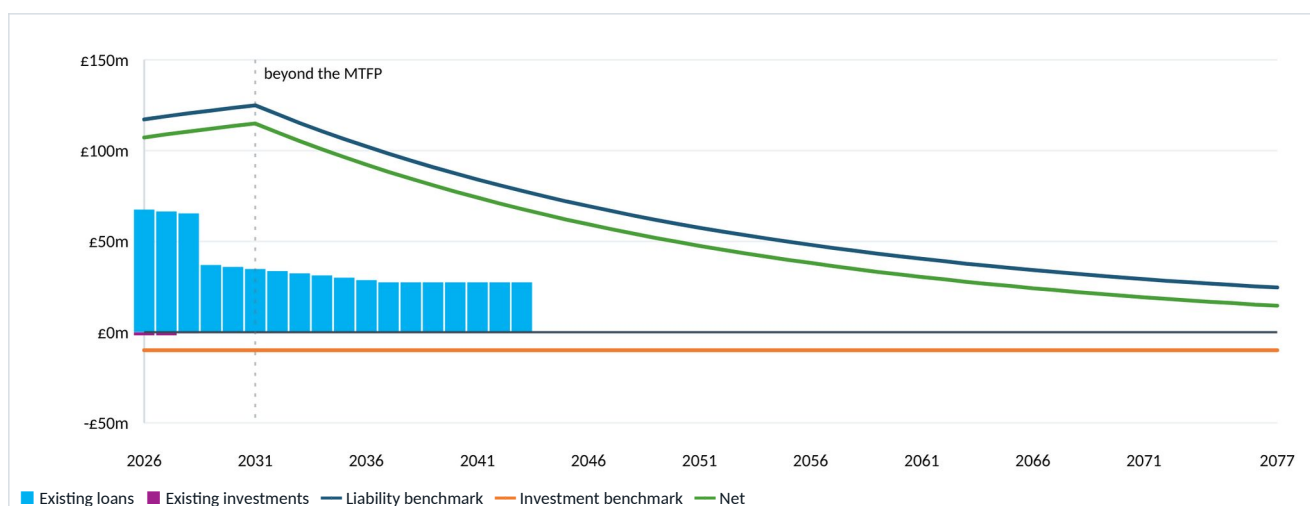
WHAT LB2 SHOWS

The liability benchmark is the net treasury position plus the treasury investment benchmark. It stands at £118.9m at 2027/28, peaking at £124.9m in 2031/32.

The General Fund is net indebted, so the treasury investment benchmark equals the liquidity allowance of £10.0m.

The authorised limit line marks the General Fund's benchmark at its projected peak, £124.9m; the limit members approve is the authority's, set from the benchmark for both funds together. Under the 2026 proposals the operational boundary is no longer a formal indicator.

Treasury commitments compared to the benchmarks — General Fund



£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Existing loan commitments	66.5	65.4	37.0	35.9	34.8	33.6	32.4	31.2	30.0	28.7
Liability benchmark	118.9	120.5	122.0	123.5	124.9	120.0	115.2	110.7	106.4	102.3
Existing investment commitments	1.7	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

IN PLAIN TERMS

The loans the General Fund already has run out before its need for them does. By 2031/32 it is short by about £90.1m, and will have to borrow again to fill the gap.

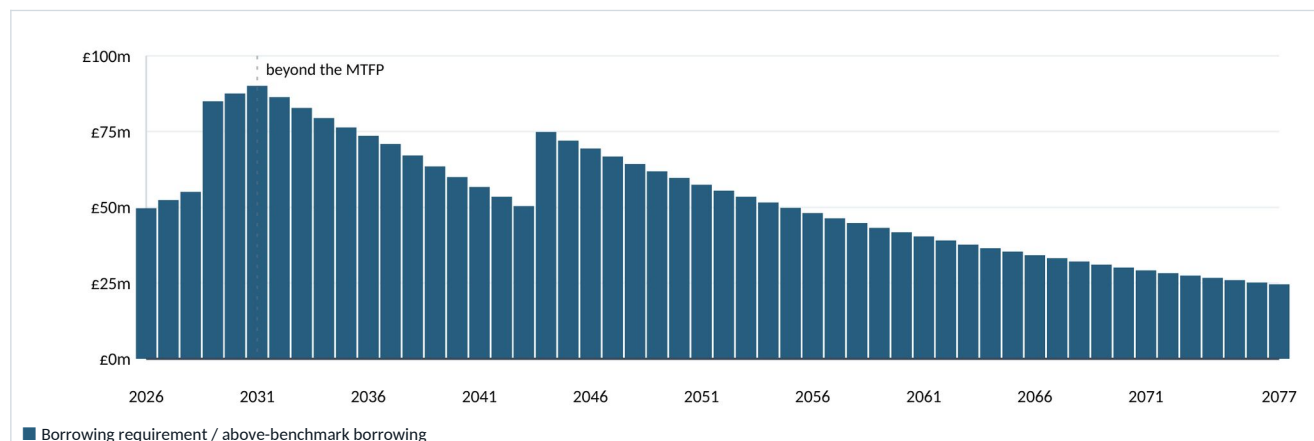
WHAT LB3 SHOWS

Existing loan commitments for the General Fund are £66.5m at 2027/28, running off entirely by 2044/45 as loans mature.

They sit below the benchmark in every one of the 51 years, so new borrowing is required; the shortfall is greatest in 2031/32 at £90.1m.

Existing investment commitments are £1.7m at 2027/28.

Borrowing requirement / over-borrowing — General Fund



£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Borrowing requirement	52.4	55.1	85.0	87.6	90.1	86.4	82.8	79.5	76.4	73.6
Above-benchmark borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

IN PLAIN TERMS

On current plans the General Fund will need to borrow up to about £90.1m, and the greatest need falls in 2031/32. The shape above is what decides how long to borrow for.

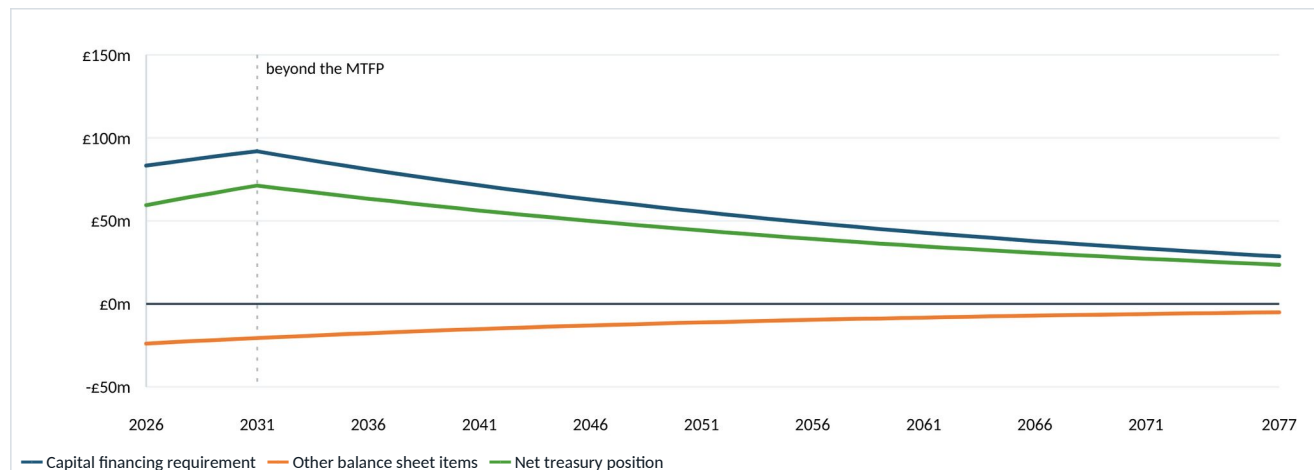
WHAT LB4 SHOWS

The borrowing requirement is the amount by which the liability benchmark exceeds the loans already held — borrowing the authority will have to arrange to fund its plans. Up to £90.1m is implied, peaking in 2031/32. The profile above determines the maturities to seek: borrowing long where the requirement persists, and short where it falls away.

Above-benchmark borrowing is the reverse — debt held that current plans do not require. It is permitted, because the benchmark is not a limit, but the money sits invested at less than it costs to borrow. None arises on these figures.

Housing Revenue Account

Net treasury position — HRA



£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Capital financing requirement	85.1	86.9	88.6	90.3	91.9	89.6	87.4	85.2	83.1	81.0
Other balance sheet items	(23.2)	(22.5)	(21.9)	(21.2)	(20.6)	(20.0)	(19.4)	(18.8)	(18.2)	(17.7)
Net treasury position	61.9	64.4	66.7	69.1	71.3	69.6	68.0	66.4	64.9	63.3

IN PLAIN TERMS

The HRA owes, or will need to borrow, about £61.9m more than it holds in reserves and cash it can use. Everything below is about that gap — how big it gets, and when.

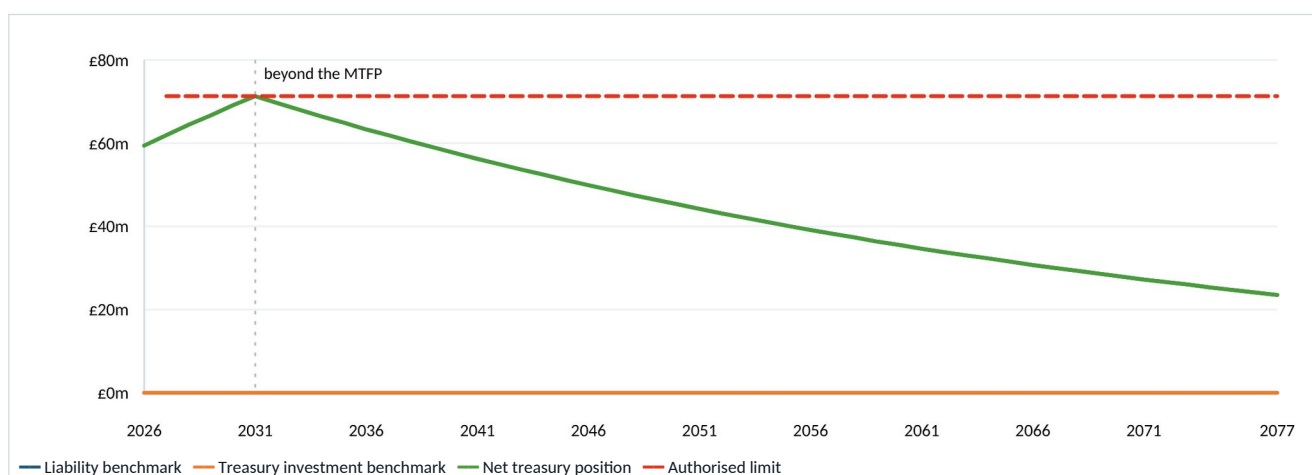
WHAT LB1 SHOWS

The capital financing requirement for the HRA stands at £85.1m at 2027/28 and falls to £28.6m by 2077/78.

Other balance sheet items — reserves, provisions and working capital not required in cash — are £23.2m, offsetting that requirement.

The net treasury position is positive throughout, so the HRA is net indebted across the projection, beginning at £61.9m.

Treasury benchmarks — HRA



£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Net treasury position	61.9	64.4	66.7	69.1	71.3	69.6	68.0	66.4	64.9	63.3
Treasury investment benchmark	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liability benchmark	61.9	64.4	66.7	69.1	71.3	69.6	68.0	66.4	64.9	63.3
Authorised limit	71.3	71.3	71.3	71.3	71.3	71.3	71.3	71.3	71.3	71.3

IN PLAIN TERMS

£61.9m is roughly the debt the HRA would need this year if it borrowed exactly what it required and no more. It is a yardstick, not a limit. The most it could ever need on these plans is £71.3m, in 2031/32. The legal ceiling members approve is set for the authority as a whole, not fund by fund.

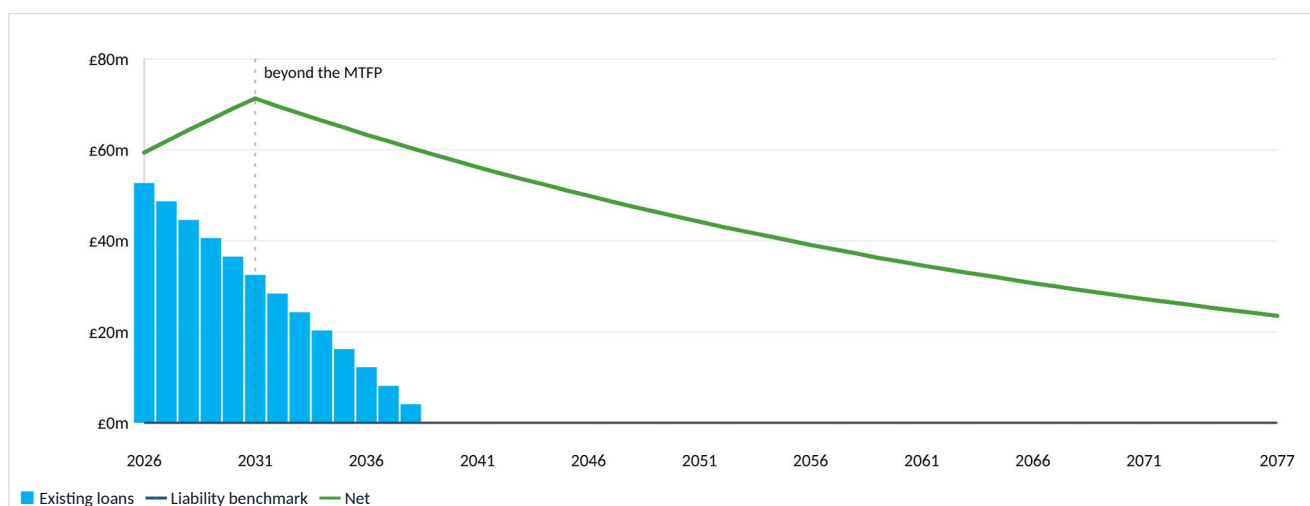
WHAT LB2 SHOWS

The liability benchmark is the net treasury position plus the treasury investment benchmark. It stands at £61.9m at 2027/28, peaking at £71.3m in 2031/32.

The HRA holds no liquidity allowance of its own — under a two-pool approach the General Fund manages liquidity for the authority — so the HRA's liability benchmark is its net treasury position.

The authorised limit line marks the HRA's benchmark at its projected peak, £71.3m; the limit members approve is the authority's, set from the benchmark for both funds together. Under the 2026 proposals the operational boundary is no longer a formal indicator.

Treasury commitments compared to the benchmarks — HRA



£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Existing loan commitments	48.7	44.6	40.6	36.5	32.5	28.4	24.3	20.3	16.2	12.2
Liability benchmark	61.9	64.4	66.7	69.1	71.3	69.6	68.0	66.4	64.9	63.3

No inter-fund position arises: in no year does the General Fund hold investments beyond its own liquidity allowance, so it has nothing to advance to the HRA. The HRA's shortfall against its benchmark is its own borrowing requirement and is shown in its LB4.

IN PLAIN TERMS

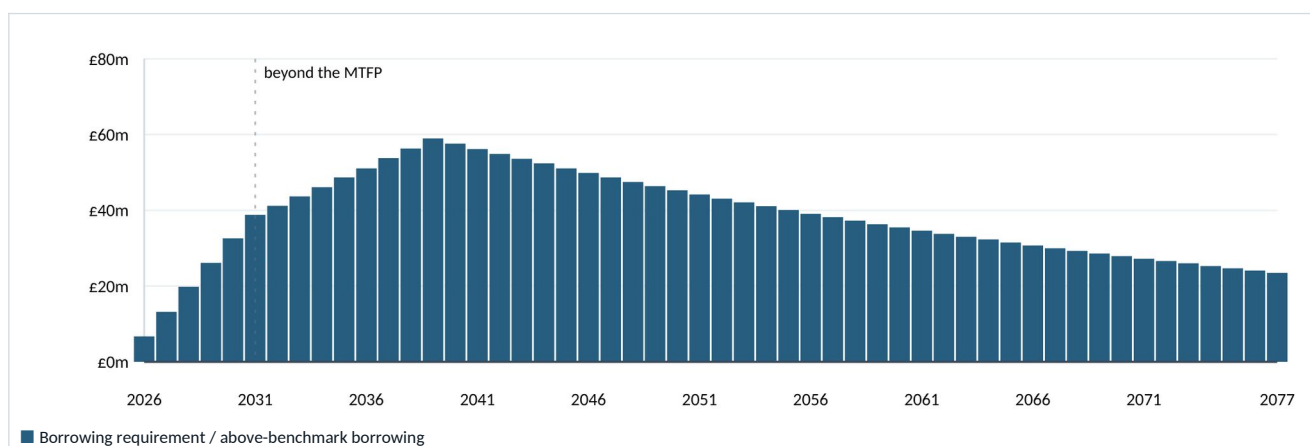
The loans the HRA already has run out before its need for them does. By 2039/40 it is short by about £59.0m, and will have to borrow again to fill the gap.

WHAT LB3 SHOWS

Existing loan commitments for the HRA are £48.7m at 2027/28, running off entirely by 2039/40 as loans mature.

They sit below the benchmark in every one of the 51 years, so new borrowing is required; the shortfall is greatest in 2039/40 at £59.0m.

Borrowing requirement / over-borrowing — HRA



£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Borrowing requirement	13.2	19.8	26.1	32.6	38.8	41.2	43.7	46.1	48.7	51.1
Above-benchmark borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

IN PLAIN TERMS

On current plans the HRA will need to borrow up to about £59.0m, and the greatest need falls in 2039/40. The shape above is what decides how long to borrow for.

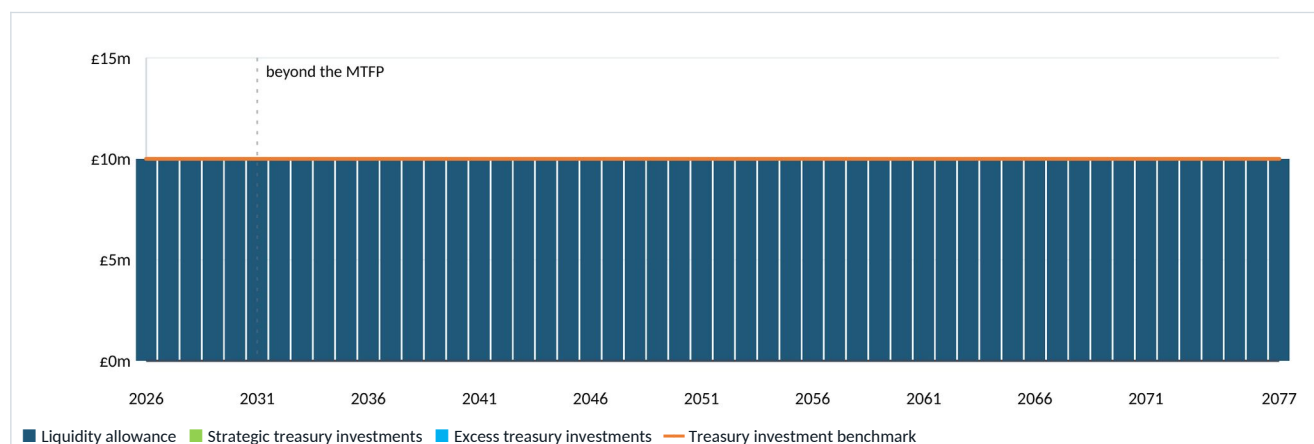
WHAT LB4 SHOWS

The borrowing requirement is the amount by which the liability benchmark exceeds the loans already held — borrowing the authority will have to arrange to fund its plans. Up to £59.0m is implied, peaking in 2039/40. The profile above determines the maturities to seek: borrowing long where the requirement persists, and short where it falls away.

Above-benchmark borrowing is the reverse — debt held that current plans do not require. It is permitted, because the benchmark is not a limit, but the money sits invested at less than it costs to borrow. None arises on these figures.

Whole authority

Treasury investment position



£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Treasury investment benchmark	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Existing investment commitments	1.7	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquidity allowance	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Strategic treasury investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess treasury investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

IN PLAIN TERMS

The council expects to hold about £10.0m of cash. The floor of £10.0m is what it keeps back simply to pay its bills on time.

WHAT LB5 SHOWS

Treasury investments implied by these figures are £10.0m at 2027/28 and hold at that level across the projection.

The liquidity allowance of £10.0m is the floor beneath the projection.

Strategic treasury investments are balances the authority holds beyond what it needs for day-to-day cash — the amount by which the treasury investment benchmark exceeds the liquidity allowance. Because they are not needed at short notice they can be placed for longer, at a better return. None arise here: the authority is a net borrower throughout, so its benchmark never rises above the liquidity allowance.

Excess treasury investments are balances held above the benchmark. They can only arise from borrowing more than the liability benchmark. The cash is borrowed before it is needed and sits invested meanwhile. The difference between the rate paid and the rate earned is the cost of carry. None arise here, so no borrowing is being carried ahead of need.

Investments therefore sit at the liquidity allowance throughout, which is the position the benchmark treats as optimal.

11 The data underpinning the indicators

The figures behind the charts above, as the Code recommends they be provided. The net treasury position opens the table and closes it: everything between shows how the authority moves from one to the other, so the table can be checked from top to bottom.

General Fund

£m	2026/27 current year	2027/28 estimate	2028/29 estimate	2029/30 estimate	2030/31 estimate	2031/32 estimate	2032/33 estimate	2033/34 estimate	2034/35 estimate	2035/36 estimate	2036/37 estimate
Capital financing requirement	145.7	146.2	146.7	147.1	147.5	147.9	142.0	136.3	130.8	125.6	120.6
Other balance sheet items	(38.5)	(37.3)	(36.2)	(35.1)	(34.0)	(33.0)	(32.0)	(31.1)	(30.1)	(29.2)	(28.3)
Net treasury position	107.2	108.9	110.5	112.0	113.5	114.9	110.0	105.2	100.7	96.4	92.3
Treasury investment benchmark	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Liability benchmark	117.2	118.9	120.5	122.0	123.5	124.9	120.0	115.2	110.7	106.4	102.3
Authorised limit	–	124.9	124.9	124.9	124.9	124.9	124.9	124.9	124.9	124.9	124.9
Existing loan commitments	67.5	66.5	65.4	37.0	35.9	34.8	33.6	32.4	31.2	30.0	28.7

£m	2026/27 current year	2027/28 estimate	2028/29 estimate	2029/30 estimate	2030/31 estimate	2031/32 estimate	2032/33 estimate	2033/34 estimate	2034/35 estimate	2035/36 estimate	2036/37 estimate
Existing investment commitments	(1.7)	(1.7)	(0.5)	-	-	-	-	-	-	-	-
Cumulative borrowing requirement / (overborrowing)	49.7	52.4	55.1	85.0	87.6	90.1	86.4	82.8	79.5	76.4	73.6
Total borrowing	117.2	118.9	120.5	122.0	123.5	124.9	120.0	115.2	110.7	106.4	102.3
Liquidity investment balance	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
"Strategic" investment balance	-	-	-	-	-	-	-	-	-	-	-
Over-benchmark investments	-	-	-	-	-	-	-	-	-	-	-
Total investments	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Net treasury position	107.2	108.9	110.5	112.0	113.5	114.9	110.0	105.2	100.7	96.4	92.3

Investments are shown as negative, as the Code's own illustration shows them: total borrowing plus total investments is the net treasury position, so the table returns to the figure it opened with. The current year is a forecast on the same basis as the years after it: the capital financing requirement less the other balance sheet items expected at its end. Ten years are shown, as recommended; the charts run the full projection.

Housing Revenue Account

£m	2026/27 current year	2027/28 estimate	2028/29 estimate	2029/30 estimate	2030/31 estimate	2031/32 estimate	2032/33 estimate	2033/34 estimate	2034/35 estimate	2035/36 estimate	2036/37 estimate
Capital financing requirement	83.3	85.1	86.9	88.6	90.3	91.9	89.6	87.4	85.2	83.1	81.0
Other balance sheet items	(23.9)	(23.2)	(22.5)	(21.9)	(21.2)	(20.6)	(20.0)	(19.4)	(18.8)	(18.2)	(17.7)
Net treasury position	59.4	61.9	64.4	66.7	69.1	71.3	69.6	68.0	66.4	64.9	63.3
Treasury investment benchmark	-	-	-	-	-	-	-	-	-	-	-
Liability benchmark	59.4	61.9	64.4	66.7	69.1	71.3	69.6	68.0	66.4	64.9	63.3
Authorised limit	-	71.3	71.3	71.3	71.3	71.3	71.3	71.3	71.3	71.3	71.3
Existing loan commitments	52.7	48.7	44.6	40.6	36.5	32.5	28.4	24.3	20.3	16.2	12.2
Existing investment commitments	-	-	-	-	-	-	-	-	-	-	-
Cumulative borrowing requirement / (overborrowing)	6.7	13.2	19.8	26.1	32.6	38.8	41.2	43.7	46.1	48.7	51.1
Total borrowing	59.4	61.9	64.4	66.7	69.1	71.3	69.6	68.0	66.4	64.9	63.3
Liquidity investment balance	-	-	-	-	-	-	-	-	-	-	-
"Strategic" investment balance	-	-	-	-	-	-	-	-	-	-	-
Over-benchmark investments	-	-	-	-	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-	-	-	-	-
Net treasury position	59.4	61.9	64.4	66.7	69.1	71.3	69.6	68.0	66.4	64.9	63.3

Investments are shown as negative, as the Code's own illustration shows them: total borrowing plus total investments is the net treasury position, so the table returns to the figure it opened with. The current year is a forecast on the same basis as the years after it: the capital financing requirement less the other balance sheet items expected at its end. Ten years are shown, as recommended; the charts run the full projection.

Whole authority

£m	2026/27 current year	2027/28 estimate	2028/29 estimate	2029/30 estimate	2030/31 estimate	2031/32 estimate	2032/33 estimate	2033/34 estimate	2034/35 estimate	2035/36 estimate	2036/37 estimate
Capital financing requirement	229.0	231.3	233.6	235.7	237.8	239.8	231.6	223.7	216.0	208.7	201.6
Other balance sheet items	(62.4)	(60.5)	(58.7)	(57.0)	(55.2)	(53.6)	(52.0)	(50.5)	(48.9)	(47.4)	(46.0)
Net treasury position	166.6	170.8	174.9	178.7	182.6	186.2	179.6	173.2	167.1	161.3	155.6

£m	2026/27 current year	2027/28 estimate	2028/29 estimate	2029/30 estimate	2030/31 estimate	2031/32 estimate	2032/33 estimate	2033/34 estimate	2034/35 estimate	2035/36 estimate	2036/37 estimate
Treasury investment benchmark	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Liability benchmark	176.6	180.8	184.9	188.7	192.6	196.2	189.6	183.2	177.1	171.3	165.6
Authorised limit	–	196.2	196.2	196.2	196.2	196.2	196.2	196.2	196.2	196.2	196.2
Existing loan commitments	120.2	115.1	110.0	77.5	72.4	67.2	62.0	56.8	51.5	46.2	40.9
Existing investment commitments	(1.7)	(1.7)	(0.5)	-	-	-	-	-	-	-	-
Cumulative borrowing requirement / (overborrowing)	56.4	65.7	74.9	111.2	120.2	129.0	127.6	126.4	125.6	125.1	124.7
Total borrowing	176.6	180.8	184.9	188.7	192.6	196.2	189.6	183.2	177.1	171.3	165.6
Liquidity investment balance	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
"Strategic" investment balance	-	-	-	-	-	-	-	-	-	-	-
Over-benchmark investments	-	-	-	-	-	-	-	-	-	-	-
Total investments	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Net treasury position	166.6	170.8	174.9	178.7	182.6	186.2	179.6	173.2	167.1	161.3	155.6

Investments are shown as negative, as the Code's own illustration shows them: total borrowing plus total investments is the net treasury position, so the table returns to the figure it opened with. The current year is a forecast on the same basis as the years after it: the capital financing requirement less the other balance sheet items expected at its end. Ten years are shown, as recommended; the charts run the full projection.

12 Affordability

Across the authority as a whole, the ratio of financing costs to the net revenue stream is 12.9% in 2027/28, and rises to 16.2% by 2031/32. This is the proportion of the net revenue stream committed to servicing and repaying debt before any service is delivered, over the five years for which a net revenue stream has been entered.

Split by fund, the ratio in 2027/28 is 12.5% on the General Fund and 14.4% on the Housing Revenue Account. The HRA's is measured against its rental income, and an HRA carrying the debt on its stock will ordinarily show the higher of the two. What matters is the direction of travel and the headroom in the business plan.

£m	2027/28	2028/29	2029/30	2030/31	2031/32
Interest payable	5.2	7.3	8.0	9.1	9.6
Minimum revenue provision charged	7.9	7.9	8.1	8.1	8.2
Investment income	0.4	0.4	0.4	0.4	0.4
Financing costs	13.1	15.2	16.1	17.2	17.8
Net revenue stream	101.3	103.4	105.4	107.5	109.6

	2027/28	2028/29	2029/30	2030/31	2031/32
Financing costs to net revenue stream					
Whole authority	12.9%	14.7%	15.3%	16.0%	16.2%
Non-HRA	12.5%	14.2%	14.6%	15.3%	15.3%
HRA	14.4%	16.1%	17.3%	18.1%	19.3%

Dependence on non-treasury investment income

Net income from non-treasury investments is 5.4% of the net revenue stream at its highest, in 2027/28. The Prudential Code asks whether the authority could continue to deliver its services if that income ceased; the answer belongs in the section on non-treasury investments.

	2027/28	2028/29	2029/30	2030/31	2031/32
Net non-treasury investment income	4.1	4.1	4.1	4.1	4.1
As a share of net revenue stream	5.4%	5.3%	5.2%	5.1%	5.0%

Financing costs are interest payable plus the minimum revenue provision charged in the year, as entered in the ledger. They are gross: investment income is not netted off, as the 2026 edition requires. Depreciation on finance leases and gains or losses on the repurchase of debt are not held in the ledger and are not included. Each fund is measured against its own net revenue stream — the General Fund's against taxpayer and grant income, the HRA's against rents.

13 Prudential indicators

The indicators below are those the Prudential Code requires. Each is shown with the latest forecast for the current year alongside the authority's own estimates for the year of the strategy and the three after it.

Prudential indicator	2026/27 forecast	2027/28 estimate	2028/29 estimate	2029/30 estimate	2030/31 estimate
Capital expenditure financed by borrowing					
Non-HRA	£6.2m	£6.9m	£6.9m	£6.9m	£6.9m
HRA	£3.8m	£4.2m	£4.2m	£4.2m	£4.2m
Total	£10.0m	£11.1m	£11.1m	£11.1m	£11.1m
Capital financing requirement					
Non-HRA	£145.7m	£146.2m	£146.7m	£147.1m	£147.5m
HRA	£83.3m	£85.1m	£86.9m	£88.6m	£90.3m
Total	£229.0m	£231.3m	£233.6m	£235.7m	£237.8m
Financing costs to net revenue stream					
Non-HRA	11.2%	12.5%	14.2%	14.6%	15.3%
HRA	13.2%	14.4%	16.1%	17.3%	18.1%
Total	11.7%	12.9%	14.7%	15.3%	16.0%
Service and commercial income to net revenue stream (General Fund)	5.3%	5.4%	5.3%	5.2%	5.1%

Movement in the capital financing requirement	2026/27	2027/28	2028/29	2029/30	2030/31
Capital expenditure financed by borrowing	–	£11.1m	£11.1m	£11.1m	£11.1m
Less MRP	–	£7.9m	£7.9m	£8.1m	£8.1m
Less capital receipts applied	–	£0.9m	£0.9m	£0.9m	£0.9m
Movement in CFR	–	£2.3m	£2.3m	£2.1m	£2.1m

The current year is the latest forecast, the year not yet having closed; the remaining years are the authority's own estimates. Capital expenditure is the part financed by borrowing, the figure that moves the capital financing requirement; the total capital programme, whatever its financing, is not held here. Financing costs for 2026/27 are interest payable and the provision for debt repayment, less investment income, as the 2021 Prudential Code defines them; from 2027/28 to 2030/31 they are interest payable and the provision for debt repayment, with investment income **not** netted off: the 2026 edition, expected to apply from 2027/28, forbids the netting because it can mask an unsustainable arrangement.

14 Group indicators

The authority has significant group undertakings, and reports a separate suite of indicators for them alongside the single-entity figures.

2027/28	Single entity	Group
Financing costs	£13.1m	£14.2m
Net revenue stream (whole authority)	£101.3m	£102.5m
Net revenue stream (General Fund)	£76.3m	£77.5m
Service and commercial income	£4.1m	£5.3m
Financing costs to net revenue stream	12.9%	13.9%
Service and commercial income to net revenue stream	5.4%	6.8%

Company	Paid to the authority	Income from third parties	Cover	Third-party debt cost
Housing Development Company	£2.2m	£3.4m	1.55×	£0.8m
Energy Services Ltd	£1.1m	£0.5m	0.45×	£0.0m
Regeneration LLP	£0.8m	£1.4m	1.75×	£0.3m

Cover is what a company earns from third parties against what it pays the authority. Below 1.0 it is not covering that payment from its own operations, which is the position Annex 1 of the consultation illustrates.

Income the authority receives from its own subsidiaries is an intra-group transfer and is excluded from the group figures. The subsidiaries' income from third parties is included, as is any third-party debt held by a subsidiary for which the authority is ultimately responsible. Financing costs are the whole authority's, against its whole net revenue stream; service and commercial income is the General Fund's, against the General Fund's, as in the prudential indicators. Where a subsidiary stops performing, the group ratio moves and the single-entity ratio does not — which is what the separate suite is for.

The authority's group indicators are set out above alongside the single-entity figures. Income from the housing development company covers what it pays the authority with headroom of £1.2m, and the company's business plan shows that headroom widening as units are completed. Energy Services Ltd does not yet cover what it pays the authority from its own operations. The shortfall is met from the authority's general reserves. The position is reviewed each quarter, and a decision on its future is expected in 2028/29. The authority is satisfied that the group's indicators do not disclose a risk that the single-entity indicators conceal.

15 Non-treasury investments and commercial activity

The authority holds investments that are not treasury investments. Following the Prudential Code, each is categorised by its primary purpose. SERVICE investments are made to further the authority's service objectives, including loans to third parties and to its own companies where the purpose is a service one. COMMERCIAL investments are made primarily for financial return. The category determines how each is assessed and reported. An investment is placed in the category of its primary purpose rather than of any secondary benefit it also brings.

Non-treasury investments are less liquid than treasury investments and carry a risk to the capital sum. For each, the authority assesses the security of the sum invested, the period over which it is committed, and the return expected, and it holds reserves against the risk of loss.

The authority assesses the proportion of its net revenue stream that depends on income from non-treasury investments, and whether it could continue to deliver its services if that income ceased. The proportion is shown in the affordability section of this report.

The authority satisfies itself that the officers and members taking decisions on non-treasury investments have the knowledge and skills the decisions require. Where they do not, external advice is obtained from a source with no interest in the transaction.

The authority holds investments that are not treasury investments. They are loans to its wholly owned housing development company and to the two other companies in its group, made in pursuit of service and regeneration objectives rather than for a treasury return. It holds no commercial property and nothing bought primarily for financial return, and no part of what it holds was acquired with borrowing taken for that purpose.

Loans advanced total £68.3m, against which £3.4m is held in reserve against the risk of loss. The income they generate is £4.1m a year, 5.4% of the General Fund's net revenue stream. The authority is satisfied that this dependence is proportionate and that services could continue were the income to cease. No reduction plan is therefore required.

Each loan is reviewed at least annually for its contribution to the objective it was made for and for any indication of impairment. The group indicators show what each company earns from third parties against what it pays the authority. Decisions on these loans are taken with advice from the authority's treasury adviser and its legal advisers, neither of which has an interest in the transactions.

16 Knowledge, skills and training

The Treasury Management Code requires the authority to ensure that everyone involved in the treasury management function has the knowledge and skills to discharge the duties given to them. The members charged with governance of it must be able to scrutinise and challenge what is put before them.

The responsible officer maintains a record of the training undertaken by officers and by members, and assesses whether it remains adequate as the function and the market change.

Training is supplemented by material and briefings provided by Example Treasury Advisers. The authority recognises that using an adviser does not reduce the knowledge and skills its own officers and members require.

Officers involved in treasury management hold CIPFA and AAT qualifications and undertook 42 hours of continuing professional development in the past year. The record is kept by the section 151 officer and covers members of the Audit and Governance Committee as well as officers.

Training delivered in the past year comprised three things. Members had a session on the liability benchmark and the 2026 Code changes in July 2026, delivered by the authority's treasury adviser. Officers had a workshop on counterparty credit assessment in May 2026. Two officers attended the CIPFA treasury management conference. Members receiving treasury reports were offered a briefing in advance of this report being presented.

The assessment made against the Code's requirement was that the treasury team's knowledge is adequate to current activity. However, the retirement of one senior officer in 2028/29 concentrates the authority's experience of long-dated borrowing in a single post. A successor is being trained during the year and the assessment will be repeated once that is complete.

17 Treasury management scheme of delegation

Full Council approves the annual treasury strategy, the prudential and treasury management indicators within it, and any in-year change to them.

The Audit and Governance Committee receives the mid-year review and the outturn report, and scrutinises treasury management on behalf of members.

The section 151 officer is responsible for the execution and administration of treasury management decisions within the policy and limits approved, and may delegate day-to-day operation to named officers.

18 The treasury management role of the section 151 officer

The section 151 officer is responsible for:

- recommending clauses, treasury management policy and practices for approval, reviewing them regularly, and monitoring compliance;
- submitting budgets and budget variations relating to treasury management;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within it;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparing a capital strategy that sets out long-term context, risk appetite and the affordability and sustainability of what is planned;
- ensuring that members are adequately informed and understand the risk exposures the authority is taking on.

19 Governance and reporting

The authority maintains Treasury Management Practices setting out the manner in which it will seek to achieve its policies and objectives, together with schedules recording how those practices are applied in this authority.

Responsibility for treasury management rests with the section 151 officer, who exercises it under the scheme of delegation approved by members and within the treasury management practices adopted by the authority.

The Audit and Governance Committee scrutinises treasury management activity and reports to full Council. The authority's treasury management practices and the schedules beneath them are reviewed annually and are available to members on request.

Day-to-day dealing is undertaken by the Treasury and Investments team, with each transaction authorised and recorded separately from the officer who arranged it. Dealers may place transactions within the approved counterparty list and limits without further authority. Any transaction above £24m, or with a counterparty added to the list since the strategy was approved, requires a second authorisation from the Chief Accountant or the section 151 officer.

Treasury advisers

The authority retains an external treasury management adviser under a contract running to 31 March 2029. The scope of the contract covers credit advice, interest rate views, technical guidance on the Codes, and training for officers and members.

The authority recognises that responsibility for its treasury management decisions remains with it at all times and that undue reliance must not be placed on external advice. Decisions are taken having regard to all available information, of which the adviser's view is one source among several. The value obtained from the contract is assessed annually by the section 151 officer against the scope above and reported to the Audit and Governance Committee. The appointment was made following a competitive tender in 2025.

Financial implications

The costs of borrowing and the income from investments are provided for in the budget. The indicators in this strategy set the limits within which those costs are contained.

The 2027/28 budget provides £5.2m for interest payable and £7.9m for minimum revenue provision, and assumes £0.4m of investment income. A one percentage point movement in short-term rates changes investment income by approximately £0.1m a year, on the balances assumed. The planned borrowing is at a fixed rate, so short-term rates do not change its cost. If it were taken at a rate one percentage point higher, interest payable in 2027/28 would rise by about £0.3m, as it is drawn part way through the year. Neither is material against the net revenue stream. Both are within the risk provision held in the budget.

Legal implications

The Local Government Act 2003 requires the authority to determine and keep under review how much it can afford to borrow. In doing so it must have regard to the CIPFA Prudential Code and Treasury Management Code, and to the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

The authority has adopted the clauses of both Codes and complies with the reporting requirements set out in them. No specific legal risk arises from the strategy beyond those addressed in the risk implications below.

Risk implications

Treasury management carries credit, liquidity, interest rate, refinancing and legal and regulatory risk. The counterparty policy, the indicators and the liability benchmark in this strategy are the controls applied to them.

The principal treasury risks in the year are refinancing risk on the £65.7m of borrowing planned, and credit risk on the investment portfolio. Refinancing risk is controlled by the maturity profile in the portfolio section and by taking the requirement in tranches rather than in one transaction. Credit risk is controlled by the counterparty policy, under which no single bank may hold more than £5m and no unsecured bank deposit may run beyond 24 months.

Equality implications

An equality impact assessment has been carried out. The strategy sets the framework within which the authority borrows and invests and does not itself determine which services are delivered, so no direct differential impact on people with protected characteristics has been identified. The affordability indicator is the measure by which the strategy's indirect effect on the resources available for services is monitored.

Climate and environmental implications

The authority has no separate environmental, social and governance policy for treasury investments, and does not apply an exclusion list to counterparties: the counterparty policy is set on security and liquidity grounds alone. Where two counterparties are equivalent on those grounds the authority will prefer the one with the stronger published transition commitments. Borrowing taken to fund the capital programme carries the environmental appraisal made for the schemes themselves, which is reported with the capital strategy.

Consultation and background papers

This strategy has been prepared with advice from Example Treasury Advisers.

It was reviewed by the Corporate Management Team and by the Audit and Governance Committee in January 2027. Background papers are the Capital Strategy 2027/28, the Medium Term Financial Strategy 2027/28 to 2031/32, and the treasury management practices and schedules adopted by the authority.

Glossary

What the technical terms used in this report mean.

Term	Meaning
Annuity loan	A loan repaid in equal instalments that each combine interest and principal, like a repayment mortgage, so the amount owed falls over the life of the loan.
Authorised limit	The most the authority may owe in external debt at any time. It is the affordable borrowing limit that the Local Government Act 2003 requires full council to set, and borrowing above it is not allowed.
Bank Rate	The interest rate the Bank of England pays on money banks hold with it, set by the Monetary Policy Committee. It drives short-term interest rates across the economy, including what the authority earns on its cash.
Basis point	One hundredth of one per cent (0.01%). A rise of 25 basis points is a rise of 0.25%.
Bond	A loan in the form of a certificate that can be bought and sold, issued by a government, company or other body. It pays interest and is repaid on a set date.
Borrowing in advance of need	Borrowing before the money is needed for capital spending, usually to secure a rate. It is allowed only within limits, and never purely to profit from investing the extra money.
Call account	A bank account from which money can be withdrawn on the day it is asked for.
Capital expenditure	Spending on assets that last longer than a year, such as buildings, roads, vehicles and equipment, or grants and loans to others for such assets. It can be paid for from grants, capital receipts, the revenue budget or borrowing.
Capital financing requirement (CFR)	The capital spending the authority has not yet paid for from grants, receipts or its revenue budget: its underlying need to borrow. It rises with capital spending financed by borrowing and falls as minimum revenue provision is set aside.
Capital receipts	Money from selling assets such as land and buildings. It can pay for new capital spending or repay debt, but not, as a rule, day-to-day running costs.
Capital strategy	The authority's long-term plan for capital spending: what it intends to spend, how it will be paid for, and the risks and costs involved. CIPFA's Prudential Code requires full council to approve one each year.
Certainty rate	The rate at which most authorities borrow from the PWLB: 0.20% below its standard rate, offered to authorities that tell the government their capital spending and borrowing plans each year.
Certificate of deposit (CD)	A short-term deposit with a bank that can be sold on to another investor before it is due to be repaid.
CIPFA	The Chartered Institute of Public Finance and Accountancy, the professional body for public sector finance. It publishes the Prudential Code and the Treasury Management Code, which the authority must by law have regard to.

Term	Meaning
Core funds	The cash the authority holds because of its reserves, balances and provisions, which stays available to invest, or to use in place of borrowing, whatever the year's day-to-day payments do.
Counterparty	A bank, fund, government body or other organisation the authority lends money to or borrows from.
Credit rating	An independent opinion of how likely a borrower is to repay, from a credit rating agency (Fitch, Moody's and S&P Global). AAA is the highest.
Credit risk	The risk that a counterparty fails to repay money the authority has lent to or deposited with it.
Debt Management Account Deposit Facility (DMADF)	An account in which the authority can deposit cash with the UK Debt Management Office, part of HM Treasury. Deposits are with central government, so it is the safest place for cash, usually at a lower rate than elsewhere.
Debt Management Office (DMO)	The part of HM Treasury that manages the government's borrowing and cash. It runs the PWLB lending facility and the Debt Management Account Deposit Facility.
Debt rescheduling	Repaying loans before they are due and replacing them with others, to reduce cost or to change when debt falls due. Early repayment can carry a premium or a discount.
Equal instalments of principal (EIP)	A loan where the same amount of the sum borrowed is repaid each period, with interest on what is still owed, so payments are largest at the start and fall over time.
External borrowing	Money the authority has borrowed from outside bodies, such as the PWLB, banks and other councils, as opposed to internal borrowing.
Fair value	What an asset would sell for, or a liability would cost to settle, in the market at the date of the accounts.
Financing costs	The cost to the revenue budget of paying for capital spending: interest on borrowing and minimum revenue provision, less investment income.
Fixed rate	An interest rate that stays the same for the whole life of a loan or investment.
Fixed-term deposit	Money placed with a bank or another body for an agreed period at an agreed rate, which normally cannot be withdrawn early.
General Fund (GF)	The authority's main revenue account, which pays for its services other than council housing.
Gilts	Bonds issued by the UK government to borrow money. Gilt yields are the rates at which the government borrows, and PWLB rates are set at a margin above them.
Group undertakings	Companies, joint ventures and similar bodies the authority owns or controls. Group indicators show the authority's position together with theirs.
Housing Revenue Account (HRA)	A separate account for the income and spending on the authority's council housing, which the law requires to be kept apart from the General Fund. Only an authority that owns council housing has one.
Internal borrowing	Using the authority's own cash, held because of its reserves and balances, to pay for capital spending instead of borrowing from outside. It saves interest for now, but the cash has to be replaced, usually by borrowing, when the reserves are spent.
Investment guidance	The statutory guidance on local government investments issued under section 15(1)(a) of the Local Government Act 2003, which sets out how the authority should manage its investments, putting security and liquidity before yield.
LB1 to LB5	The treasury indicators of the 2026 revision of CIPFA's Codes, each drawn from the liability benchmark: LB1 the net treasury position, LB2 the treasury benchmarks, LB3 the treasury commitments compared to the benchmarks, LB4 the borrowing requirement or over-borrowing, and LB5 the treasury investment position. Where an authority keeps separate debt for its housing, LB6 shows the position between its two funds.
Lender option borrower option loan (LOBO)	A long-term loan, usually from a bank, where the lender may propose a higher interest rate on set dates. If it does, the authority can accept the new rate or repay the loan without penalty.
Liability benchmark	A projection, required by CIPFA's Treasury Management Code, of the least the authority needs to borrow to pay for its capital plans while keeping enough cash to run day to day, set against the debt it already has. It shows whether and when new borrowing will be needed, and whether the authority holds more debt than it needs.
Liquidity	How quickly an investment can be turned into cash without losing value.
Local authority lending	Loans between councils and other public bodies: authorities with spare cash commonly lend it to others, often for short periods, and borrow from them when they are short.
Maturity	The date on which a loan or investment is due to be repaid; a maturity loan is one where only interest is paid during its life and the whole sum is repaid at the end.
Maturity structure of borrowing	Limits on how much of the authority's debt may fall due for repayment within each period, so that too much does not have to be replaced at once, perhaps at a higher rate.
Minimum revenue provision (MRP)	The amount set aside from the revenue budget each year to repay the debt that paid for capital spending. The law requires an amount the authority considers prudent, and full council approves the policy for working it out each year.
Monetary Policy Committee (MPC)	The Bank of England committee of nine that sets Bank Rate. It meets eight times a year, with the aim of keeping inflation at the government's 2% target.
Money market fund (MMF)	A fund that pools many investors' cash and lends it for short periods to high-quality banks, companies and governments. It spreads the risk over many borrowers, usually has the highest credit rating, and normally returns money on the day it is asked for. Constant (CNAV) and low volatility (LVNAV) funds aim to keep the value of each share fixed.
National Wealth Fund (NWF)	A government-owned bank, formerly the UK Infrastructure Bank, that lends to local authorities for qualifying infrastructure and net zero projects, at rates that can be below the PWLB's.
Net revenue stream	The authority's income from council tax, business rates and general government grants (and, for the Housing Revenue Account, rents). The cost of financing capital spending is measured against it.
Net treasury position	The authority's borrowing less its treasury investments: positive when it owes more than it holds.
Non-treasury investments	Investments made for reasons other than managing cash: for a service (such as a loan to a local housing company) or for a financial return (such as commercial property). CIPFA's Prudential Code does not allow an authority to borrow in order to invest primarily for a financial return.

Term	Meaning
Notice account	A bank account from which money can be withdrawn only after an agreed period of notice, such as 95 days.
Operational boundary	The level of external debt the authority does not expect to exceed in the normal course of business. It is set below the authorised limit as an early warning, and can be exceeded briefly without breaching the law.
Over-borrowing	Holding more debt than the authority needs, as the liability benchmark measures it; the cost is interest on money the authority then holds as investments.
Pooled funds	Funds that combine money from many investors and invest it in property, shares, bonds or a mix, run by a professional fund manager. Their value can fall as well as rise, so they are held for the long term.
Premium and discount	On repaying a loan early, the extra charge (a premium) or the reduction (a discount) that reflects the difference between the loan's rate and rates now.
Provisions	Amounts set aside in the accounts for costs the authority expects to have to meet, where the amount or the timing is not yet certain.
Prudential Code	CIPFA's Prudential Code for Capital Finance in Local Authorities: the framework within which an authority decides how much to borrow, showing its capital plans are affordable, prudent and sustainable. The authority must have regard to it by law.
Prudential indicators	The measures the Prudential Code requires the authority to set, and report against, to show its capital plans are affordable, prudent and sustainable: among them the capital financing requirement, the authorised limit and the ratio of financing costs to net revenue stream.
Public Works Loan Board (PWLb)	The government's lending facility for local authorities, run by the UK Debt Management Office on behalf of HM Treasury, through which most local authority borrowing is done. Its rates are set at a margin above gilt yields.
Refinancing risk	The risk that, when debt falls due, it can be replaced only at a higher rate, or not at all.
Reserves	Money set aside from past years' budgets, either for a particular purpose (earmarked reserves) or as a general cushion against the unexpected. Until it is spent it is held as cash and invested, or used in place of borrowing.
Section 151 officer	The officer responsible by law for the proper administration of the authority's financial affairs, usually its director of finance or chief finance officer.
Specified investments	Investments the government's guidance treats as low risk: in sterling, for no more than a year, and with the UK government, a local authority or a body of high credit quality. Any other investment is non-specified, and the strategy sets limits on those.
Standard rate	The PWLB's basic lending rate, set at 1.00% above the equivalent gilt yield. Most authorities qualify for the lower certainty rate.
Statutory override	A temporary rule under which a rise or fall in the value of the authority's pooled fund investments is kept out of its revenue budget until they are sold. The government has set a date for it to end.
Sterling Overnight Index Average (SONIA)	The interest rate at which banks borrow sterling from each other overnight, published by the Bank of England. It replaced LIBOR as the benchmark for many variable-rate loans.
Supranational bonds	Bonds issued by international bodies owned by several governments, such as the European Investment Bank or the World Bank, usually with the highest credit ratings.
Treasury adviser	A specialist firm the authority pays for advice on treasury management, such as interest rate forecasts and information on the credit of counterparties. The authority remains responsible for its decisions.
Treasury bills (T-bills)	Short-term loans to the UK government, repaid within a year, sold by the Debt Management Office.
Treasury investments	Investments made to manage the authority's cash, such as deposits, money market funds, bonds and pooled funds, held for security and liquidity rather than for profit.
Treasury management	Managing the authority's cash, borrowing and investments, and the risks that come with them.
Treasury Management Code	CIPFA's Treasury Management in the Public Services Code of Practice, which sets out how authorities should manage their cash, borrowing and investments and the risks involved. The authority must have regard to it by law.
Treasury management indicators	The measures the Treasury Management Code requires the authority to set and report, to show how it controls the risks in its borrowing and investments.
Treasury management practices (TMPs)	The authority's own written procedures for carrying out treasury management day to day, as the Treasury Management Code requires.
Treasury management strategy (TMSS)	The plan for the year's borrowing and investments, with the limits within which they are managed, which full council approves before the year starts.
Variable rate	An interest rate that can change during a loan or investment, usually moving with Bank Rate or SONIA.
Voluntary revenue provision (VRP)	An amount set aside to repay debt over and above the minimum the authority's policy requires.
Working capital	Cash tied up in, or released by, the timing of day-to-day payments and receipts, such as bills not yet paid and income not yet received.
Yield	The return on an investment, or the cost of borrowing, as a percentage a year.

Appendix: the deal list at 30/09/2026

The deals behind the figures in this report, as read from the authority's deal list (the example deal list, pwlb-example-deal-list.xlsx) as at 30/09/2026: what was held on that date, and what came back between 01/04/2026 and 30/09/2026. Deals matured and loans repaid before the period are kept in the deal list as history and are not listed here.

Term investments held at 30/09/2026

Counterparty	Type	Counterparty type	Nominal	Rate	Start	Maturity	Rating
Lloyds Bank	Fixed deposit	UK bank	£1,230,000	4.10%	15/07/2026	15/10/2026	A+
UK Debt Management Office	Treasury bill	UK Government	£2,470,000	3.95%	25/09/2026	24/12/2026	
Nationwide Building Society	Certificate of deposit	Building society	£740,000	4.20%	20/08/2026	20/02/2027	A+
Toronto-Dominion Bank	Fixed deposit	Overseas bank	£1,230,000	4.25%	01/09/2026	01/03/2027	AA-
Example County Council	Loan to local authority	Local authority	£2,470,000	4.60%	31/03/2026	31/03/2027	
Santander UK	Fixed deposit	UK bank	£1,230,000	4.05%	10/06/2026	10/06/2028	A
UK Government	Gilt	UK Government	£490,000	4.00%	15/01/2026	22/07/2029	
Total			£9,860,000	4.20%			7 deals

Term investments matured in the period

Counterparty	Type	Counterparty type	Nominal	Rate	Start	Maturity	Rating
Toronto-Dominion Bank	Fixed deposit	Overseas bank	£1,230,000	4.40%	10/02/2026	11/05/2026	AA-
Santander UK	Fixed deposit	UK bank	£1,230,000	4.55%	10/06/2025	10/06/2026	A
Barclays Bank	Fixed deposit	UK bank	£1,230,000	4.30%	01/04/2026	01/07/2026	A+
Nationwide Building Society	Certificate of deposit	Building society	£740,000	4.35%	20/02/2026	20/08/2026	A+
Barclays Bank	Fixed deposit	UK bank	£1,230,000	4.25%	01/07/2026	01/09/2026	A+
Total			£5,660,000	4.37%			5 deals

Call accounts and money market funds at 30/09/2026

Counterparty	Type	Counterparty type	Balance	Rate	Notice days	Rating	Average balance	Average rate
Barclays Bank	Call account	UK bank	£990,000	3.90%		A+	£860,000	3.85%
Aberdeen Standard Liquidity Fund	Money market fund	Money market fund	£1,980,000	4.05%		AAAm	£1,730,000	4.00%
Lloyds Bank	Notice account	UK bank	£1,230,000	4.15%	95	A+	£1,230,000	4.15%
Total			£4,200,000			3 accounts	£3,820,000	

Loans outstanding at 30/09/2026

Lender	Type	Lender type	Outstanding	Rate	Start	Maturity	Profile	Fund	Next call
Example District Council	Temporary borrowing	Local authority	£13,690,000	4.30%	01/08/2026	02/11/2026	Maturity	General Fund	
Dexia Credit Local	Market loan	Overseas bank	£27,380,000	2.80%	28/06/2019	28/06/2029	Maturity	General Fund	
Public Works Loan Board	PWLB fixed	PWLB	£13,690,000	2.60%	31/03/2018	31/03/2038	Annuity, annual	General Fund	
Public Works Loan Board	PWLB fixed	PWLB	£54,760,000	2.10%	31/03/2020	31/03/2040	EIP, half-yearly	HRA	
Public Works Loan Board	PWLB fixed	PWLB	£27,380,000	3.50%	20/03/2015	20/03/2045	Maturity	General Fund	
Barclays Bank	LOBO	UK bank	£13,690,000	4.50%	15/03/2005	15/03/2055	Maturity	General Fund	15/03/2027
Total			£150,590,000	2.95%			6 loans		

Loans repaid in the period

Lender	Type	Lender type	Repaid	Rate	Start	Maturity	Profile	Fund	Next call
Another District Council	Temporary borrowing	Local authority	£8,210,000	4.50%	10/01/2026	10/04/2026	Maturity	General Fund	
Example Bank plc	Market loan	UK bank	£27,380,000	3.20%	30/06/2016	30/06/2026	Maturity	General Fund	
Example Borough Council	Temporary borrowing	Local authority	£13,690,000	4.40%	15/05/2026	17/08/2026	Maturity	General Fund	
Total			£49,280,000	3.75%			3 loans		

Also repaid in the period: £2,028,148 in one instalment on a loan still outstanding, listed above.

Pooled funds at 30/09/2026

Fund	Fund type	Carrying value	Latest value	Current rate	Purchased	Average value	Average rate
CCLA Local Authorities' Property Fund	Property	£1,230,000	£1,170,000	4.80%	01/05/2018	£1,160,000	4.80%
Ninety One Diversified Income Fund	Multi-asset	£740,000	£760,000	4.20%	01/10/2021	£750,000	4.20%
Total	2 funds	£1,970,000	£1,930,000			£1,910,000	

The workbook's own checks, the Ready to read panel on its Start here sheet, said: Ready: the report tool and the deal list page will read this workbook as it is.

A term deal's nominal is its face value where the deal list gives one (a Treasury bill or gilt bought at a discount), else its principal. A loan's figure is the principal outstanding at 30/09/2026; a repaid loan's is what was repaid. The averages are what the deal list states for the period. The deal list was read on 15/10/2026.

A drafting aid, not a compliance statement. Built to the CIPFA Prudential Code and Treasury Management Code, 2026 revision — second consultation; expected to apply from April 2027. The indicators produced are LB1, LB2, LB3, LB4, LB5, the set the 2026 Codes require, and the authorised limit is derived as the higher of the peak of the projected liability benchmark and the external debt already held. That edition removes the operational boundary and the maturity structure of borrowing as formal indicators. Until that edition applies, the maturity structure of borrowing is still reported in this paper; the operational boundary is not. 2027/28 strategies may be a hybrid of the current and new Codes. Nothing is extrapolated — every year is a figure the authority entered or its deal list holds, and the benchmark makes no assumption about borrowing in capital budgets not entered. Existing loans and investments are taken from the authority's deal list. Rates as at 14 October 2026. Check every figure and every word before this reaches a committee. This report is prepared on the basis of the law applying in England. Under the two-pool approach LB2 to LB4 are shown separately for each fund, with General Fund lending to or borrowing from the HRA as a further series, as the Code recommends.