

Treasury Management Update – Q1 2026/27

Background

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. 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 Authority has fulfilled these objectives, the Prudential Code sets out several indicators.

It is now a requirement of the CIPFA Prudential Code that these indicators are reported quarterly.

Borrowing

The Authority's debt position was unchanged in Q1 2026/27, total debt remaining at £8,528k.

	2026/27 Original Estimate (£000's)	Position as at 30 June 2026 (£000's)
Debt	8,528	8,528

Investment Portfolio

The Authority held £9.15 million in call accounts as at 30 June 2026.

At its meetings on 28 April 2026 and 17 June 2026, the Bank of England's Monetary Policy Committee (MPC) voted to maintain the Bank Rate at 3.75%.

The Authority continues to closely monitor its liquidity requirements and invests funds in a manner that maintains the flexibility to meet operational needs.

The budget for interest earnings in 2026/27 is £372k. With the Bank Rate remaining stable throughout the first quarter, actual interest earned to 30 June 2026 was £97,154.

Compliance with Treasury and Prudential Limits

It is a statutory duty for the Authority to determine and keep under review its affordable borrowing limits. During the quarter ended 30 June 2026, the Authority has complied with the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2026/27. The Head of Finance and Procurement reports that no difficulties are envisaged for the current or future years in complying with these indicators. All treasury management operations have also been conducted in full compliance with the Authority's Treasury Management Practices.

Treasury Indicators	2026/27 Budget (£000's)	30 June 2026 Actual (£000's)
Authorised Limit for external debt	13,036	13,036
Operational boundary for external debt	11,036	11,036
Gross external debt	8,528	8,528

Maturity structure of fixed rate borrowing	30 June 2026 Actual (£000's)
12 months to 24 months	0
24 Months to 5 Years	597
5 Years to 10 years	3,581
10 Years to 20 Years	1,350
20 Years to 30 Years	3,000
Total	8,528

Prudential Indicators	2026/27 Budget (£000's)	30 June 2026 Actual (£000's)
Capital expenditure	2,708	202
Capital Financing Requirement (CFR)	8,657	8,657
Annual change in CFR	(496)	(496)
In-year borrowing requirement	2,000	0
Ratio of financing costs to net revenue stream	1.51%	1.51%