Treasury Management Update – Q4 2025/26

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 Q4 2025/26, total debt remaining at £8,528,000.

	Position at 1 April 2025 (£000's)	**Position at 31 March 2026 (£000's)**
Debt	8,922	8,528

Investment Portfolio

The Authority held investments totalling £9.07m as at 31 March 2026.

At its March 2026 meeting, the Bank of England's Monetary Policy Committee voted to maintain Bank Rate at 3.75%.

Fixed term deposits totalling £4m matured on 11 March 2026.

The Authority continues to monitor its liquidity requirements closely and ensures that investment decisions provide sufficient flexibility to meet operational needs.

The budgeted interest earnings for 2025/26 were £604,000, compared with actual returns of £613,501.

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 31 March 2026, the Authority has complied with the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2025/26. 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	**2025/26 Budget (£000's)**	**31 March 2026 Actual (£000's)**
Authorised Limit for external debt	13,752	13,752
Operational boundary for external debt	11,752	11,752
Gross external debt	8,922	8,528
Investments – 31 March 2026		9,073
Net borrowing – 31 March 2026		(545)

Maturity structure of fixed rate borrowing	31 March 2026 Actual (£000's)
Under 12 months	0
12 months to 24 months	597
24 Months to 5 Years	2,781
5 Years to 10 years	800
10 Years to 20 Years	1,350
20 Years to 30 Years	3,000
Total	**8,528**

Prudential Indicators	2025/26 Budget (£000's)	31 March 2026 Actual (£000's)
Capital expenditure	5,583	3,762
Capital Financing Requirement (CFR)	11,020	8,658
Annual change in CFR	(543)	(542)
In-year borrowing requirement	0	129
Ratio of financing costs to net revenue stream	1.63%	1.59%