Appendix 1

Annual Treasury Management Report 2025/26

1. Background

1.1. The Council's treasury management activity is underpinned by CIPFA's (Chartered Institute of Public Finance and Accountancy) Code of Practice on Treasury Management ("the Code"), and the CIPFA Prudential Code for Capital Finance in Local Authorities ("the Prudential Code"). These regulations require local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement for the financing and investment activities.

1.2. The Code also requires that the treasury management strategy and policies are effective, monitored and scrutinised. The Council has delegated responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet and the responsibility for scrutinising the treasury management activity to the Audit and Corporate Governance Committee.

1.3. The Council's Treasury Management Strategy for 2025/26 was approved at Full Council on 06 March 2025. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management report on its activities and performance against prudential and treasury indicators as set out in the annual strategy. During the year, the members have also been informed of treasury management activities on a quarterly basis.

1.4. Treasury management is defined by CIPFA as*:*

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

1.5. No treasury management activity is without risk; The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities focuses on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

1.6. This report will be presented to Audit and Corporate Governance Committee on 22 July 2026 for noting and then onto full Council on 30 July 2026.

2. Prudential and Treasury Indicators

2.1. In compliance with the requirements of the Code this report provides members with a summary report of the treasury management activity during the financial year ended 31 March 2026 (2025/26). Officers herewith confirm that during 2025/26, the Council complied with all its legislative and regulatory requirements and its Treasury Management Strategy Statement and Treasury Management Practices.

2.2. During the year the Council operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy for 2025/26 and a prudent approach was taken in relation to all investment activity with priority being given to security and liquidity over yield.

2.3. A full set of prudential and treasury indicators for 2025/26 are set out in Appendix A

3. Risk Management

3.1. The Council aims to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. The Treasury Management Strategy Statement ("TMSS") for 2025/26, which includes the Annual Investment Strategy, sets out the Council's investment priorities as being:

3.2. Credit risk: Counterparty credit quality is assessed and monitored with reference to credit ratings including a minimum sovereign credit rating and Credit Default Swap ("CDS") overlay information.

3.3. Liquidity risk: In keeping with the Guidance on Investments as provided by Ministry of Housing, Communities and Local Government ("MHCLG"), the Council maintains a sufficient level of liquidity using Money Market Funds and call accounts.

3.4. Yield: The Council seeks to optimise returns commensurate with its objectives of security and liquidity.

4. Economic update

4.1. To set out the economic context within which our treasury operations were carried out during the past year, this economic update was provided by the Council's Treasury Advisors (Arlingclose) and reflects the market position in the beginning of April 2026.

4.2. The financial year was largely dominated by two periods of significant uncertainty and volatility. The first being the US trade tariff 'Liberation Day' in April 2025 and the second was the US/Israel war with Iran at the end of February 2026.

4.3. After the initial fallout from US trade tariffs, the following months saw some improvements as equity markets made gains and bond yields eased modestly. However, in the UK this trend in bond yields reversed somewhat as an uncertain economic outlook together with concerns around the government's fiscal position and autumn Budget saw 'term premia' rise as investors demanded a higher return for holding gilts.

4.4. The Budget itself was more muted than had been expected. Despite a weak economic outlook, this helped UK markets perform better with gilt yields trending downwards, inflation easing, and expectations for cuts in Bank of England (BoE) Bank Rate increasing.

4.5. The end of February 2026 saw the start of the war between US/Israel and Iran. The conflict caused oil and other commodity prices to rise sharply as the shipping lanes in the region became effectively closed, restricting global oil supply. At the end of the period, the economic outlook remained highly uncertain in terms of its impact on inflation as well as countries' fiscal and monetary policy conditions around the globe.

4.6. Prior to the start of the war, headline UK consumer price inflation (CPI) inflation had generally been trending downwards, albeit the 3% in February 2026 was unchanged from January. Core CPI also stayed put at 3.1%. Inflation was expected to fall further over the coming months to the BoE's 2% target, but the war changed this. Inflation is now expected to rise again, but how quickly and by how much depends on the duration of the war and how long commodity prices are elevated.

4.7. The Office for National Statistics (ONS) reported the UK economy expanded by 0.1% in Q4 2025. This followed previous modest gains of 0.2% in Q2 and by 0.1% in Q3. Of the subsequent monthly figures, the ONS estimated that GDP showed no growth in January 2026. As this is from before the war started the impact on growth will not be seen formally in the data for a couple more months.

4.8. While the most recent labour market figures were slightly better than expected, the general trend has been one of persistent weakness. In the three months to January 2026, the unemployment rate rose to 5.2% (from 5.1%), while the employment rate held at 75.1%. Despite inflation being expected to rise in the coming months, labour market conditions remain loose and so any upward pressure on wages from general inflation is likely to be tempered by the weaker labour market environment.

5. Borrowing Activity in 2025/26

5.1. The Council's underlying need to borrow for capital expenditure (CFR) is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2025/26 unfinanced capital expenditure, and prior period's net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources. The Council's 2025/26 year-end CFR was £684.7mln.

5.2. On 31 March 2026, the authority had net borrowing of £450.5m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by CFR, while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in the table below.

Table 1: Balance Sheet Summary	**31.03.25 Balance £m**	**31.03.26 Balance £m**
General Fund CFR	527.0	520.1
Housing Revenue Account CFR	162.9	164.6
Total CFR	**689.9**	**684.7**
Less: Other debt liabilities*	(34.5)	(37.1)
Borrowing CFR	**655.5**	**647.5**
Less: External borrowing	(458.5)	(469.8)
Internal/Under borrowing	**197.0**	**177.8**

* Leases, PFI liabilities and transferred debt that form part of the Authority's total debt

5.3. Table 2 below provides a summary of the Council's net borrowing position:

Table 2: Net Borrowing Summary	**31.03.25 Balance £m**	**31.03.26 Balance £m**
External Long-Term Borrowing (>1 year)	362.1	425.3
External Short-Term Borrowing (<1 year)	96.4	44.5
Sub-total, Borrowing	**458.5**	**469.8**
MMF	(13.6)	(19.3)
Long-Term Investments (>1 year)	-	-
Sub-total, Investments	**(13.6)**	**(19.3)**
Net Borrowing	**444.9**	**450.5**

5.4. Part of the Council's treasury activities is to monitor the cash position and organise financing against the borrowing needs. Financing is sourced through a combination of external borrowing from external bodies, such as the Government, through the Public Works Loan Board ("PWLB"), or the money markets, or utilising temporary cash resources within the Council.

5.5. All new borrowing undertaken during 2025/26 was from PWLB, however, the Council continued to maintain an under-borrowed position. This meant that the capital borrowing need, the CFR, was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure in the elevated interest rates environment, and the period of low real capital spend.

5.6. Table 3 sets out the borrowing activity for the year:

Table 3: Borrowing Activity 2025/26	31.03.25 Balance £'m	Borrowing Repaid £'m	Borrowing Raised £'m	31.03.26 Balance £'m	Weighted Average Rate %
HRA - PWLB	120.1	-	-	120.1	3.41%
HRA – LOBO	1.6	-	-	1.6	3.88%
HRA - Other	0.7	-	-	0.7	4.76%
GF - PWLB	325.4	(98.7)	110.0	336.8	3.72%
GF - LOBO	7.4	-	-	7.4	3.88%
GF - Other	3.3	-	-	3.3	4.76%
Total Borrowing	**458.5**	**(98.7)**	**110.0**	**469.8**	**3.65%**

5.7. A full list of Council borrowings held as of 31 March 2026 is set out in Appendix B

5.8. The Council has repaid £98.7m of PWLB loans that matured in the course of 2025/26. The loans have been effectively refinanced with 10-year EIP loans which is in line with the 2025/26 Treasury Management Strategy due to currently high-interest environment.

5.9. PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers.

5.10. However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. Rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly.

5.11. The year of 2025/26 saw significant volatility in gilt yields. The 10-year UK benchmark gilt yield started the year at 4.65% and ended at 4.86%. However, over this time the 10-year yield hit a low of 4.23% and a high of 4.95% in the space of a month. It was a similar picture for the 20-year gilt which started at 5.18% and ended at 5.45% with a low and high of 4.92% and 5.55% respectively. The Sterling Overnight Rate (SONIA) averaged 4.01% over the 12 months to 31st March.

5.12. Gilt yields slightly decreased over most of the period; reflecting expectations of lower interest rates, a tepid economy and to some extent an improvement in the UK governments fiscal position following tax rises in the autumn budget. Subsequent to the war in the Middle East however, gilt yields saw a rapid rise to above the yield at the beginning of the financial year.

5.13. The PWLB certainty rate, therefore, for 10-year maturity loans was 5.38% at the beginning of the period and 5.72% at the end. The lowest available 10-year maturity certainty rate was 5.13% and the highest was 5.88%. Rates for 20-year maturity loans ranged from 5.71% to 6.37% during the period, and 50-year maturity loans from 5.46% to 6.24%. The cost of short-term borrowing from other local authorities has been like or a little above Base Rate for most of the period, with interest rates between 4.0% and 4.5%. However, as is commonly seen, rates rose higher towards the end of the financial year, with rates of 5.0% - 7.0% being seen.

5.14. CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the local authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Council has no new plans to borrow to invest primarily for financial return.

5.15. The PWLB HRA rate which is 0.4% below the certainty rate is available up to March 2027. This discounted rate is to support local authorities borrowing for the Housing Revenue Account and for refinancing existing HRA loans, providing a window of opportunity for HRA-related borrowing.

6. Interest Rates in 2025/26

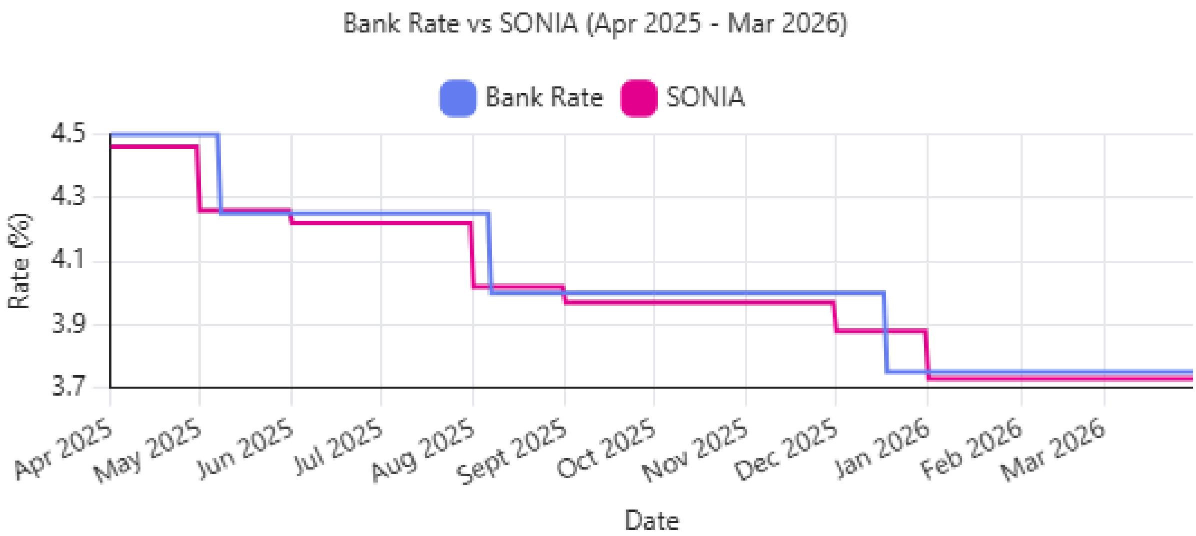
6.1. The Bank of England have cut their rate three times in 2025/26 (from 4.50% down to 3.75%) as part of gradual monetary easing.

6.2. After cutting the Bank Rate to 3.75% in December 2025, the Bank of England's Monetary Policy Committee (MPC) voted 5-4 to hold rates in February 2026 and then unanimously to do so again in March. Until the war with Iran started, financial markets were expecting Bank Rate to be cut to 3.5% at the March meeting. However, the conflict in the Middle East quickly changed this. The MPC noted the risks to both inflation and growth and indicated they could move rates either up or down depending on the conditions. Financial markets quickly responded to this by pricing in rate hikes.

6.3. Following the March 2026 MPC meeting, Arlingclose, the authority's treasury adviser, revised its central interest rate view and now predicts Bank Rate will be held at 3.75%. However, the conflict makes the outlook for rates highly uncertain. In the short-term the risks are to the upside with the chance of higher Bank Rate should the MPC decide it wishes to quickly quash potential second-round effects from higher inflation. Further out, if Bank Rate is hiked quickly, the pace and magnitude of subsequent cuts could take it far lower than was previously anticipated as policymakers add significant stimulus to a much weaker economic growth outlook.

6.4. The Council uses the Sterling Overnight Index Average ("SONIA") as a benchmark interest rate that tracks closely the Bank Rate. This is published daily and measures the cost of overnight borrowing on a backward-looking basis.

6.5. The average SONIA and the Bank Rate in 2025/26 financial year were ~4.01% and ~4.04%, respectively, with overall dynamics displayed in the below chart:



6.6. The Council's actual interest rate performance during the year of 2025/26 was 4.14% which compares favourably with the average SONIA rates as can be seen above. Also, it compares favourably against rates achieved for the same period by other Local Authorities using MMF for their liquidity management (see details in Appendix C).

7. Investments in 2025/26

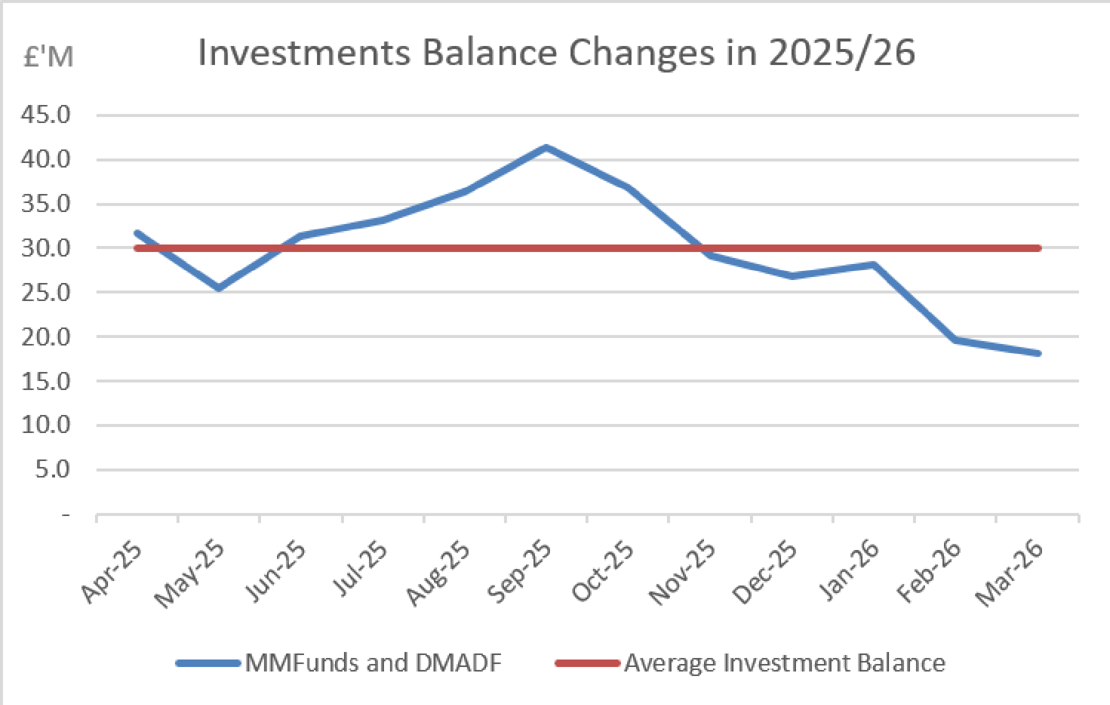
7.1. The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

7.2. The Council's investment policy is reflected in the Annual Investment Strategy approved by the Council each year. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

7.3. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held in advance of need. During the year, the Authority's investment balances averaged £29.9 million due to timing differences between income and expenditure. The investment position is shown in Table 4 below.

Table 4: Investments Activity 2025/26	31.03.25 Balance £'m	Investment Made £'m	Investment Recalled £'m	31.03.26 Balance £'m	Weighted Average Rate %
Banks & Building Soc	-	-	-	-	n/a
Local Authorities	-	-	-	-	n/a
Government	-	-	-	-	n/a
(DMADF)	-	9.6	(9.6)	-	3.95%
Pooled Funds	-	-	-	-	n/a
Money Market Funds	13.6	454.2	(448.5)	19.3	4.14%
Total Investments	**13.6**	**463.8**	**(458.1)**	**19.3**	**4.14%**

7.4. The monthly movement in investment balances during 2025/26 is set out in the chart below.



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

7.6. As demonstrated by the liability benchmark in this report, the Council expects to be a long-term borrower, and new treasury investments are, therefore, primarily made to manage day-to-day cash flows using short-term low risk instruments (e.g. MMF).

7.7. The Council's cash balances comprise revenue and capital resources and cash flow monies (creditors etc). Interest earned on these balances is derived from in-house managed investments. The table below shows gross investment income achieved in 2025/26 alongside the interest expense on borrowings (corporate debt only):

Table 5: Net Debt Interest Expense 2025/26	**Original Budget £'m**	**Actual Outturn £'m**
Investment Income	1.0	1.2
Interest on Loans to Companies	1.8	2.0
Gross Investment Income	**2.8**	**3.2**
Gross Debt Interest Expense	(18.8)	(16.2)

Net Debt Interest Expense	(16.1)	(13,0)
- General Fund	(11.5)	(9.7)
- Housing Revenue Account	(4.6)	(3.3)

7.8. Aside from the parameters set in the Annual Investment Strategy, the main factors that determine the amount of investment income are the level of interest rates, cash flow and the level of reserves and balances. The impact of capital cash flows – receipts from sales and timing of capital projects – also has a significant impact on cash flows.

7.9. A full list of Council's investments held as of 31 March 2026 is set out in Appendix C.

8. Non-treasury Investments

8.1. The Prudential Code, TM Code and the government regulations include guidance on what is termed "non-treasury" investments. These are predominantly investments for commercial return such as:

- commercial loans to companies and other organisations, and
- holding property for a financial return (investment property).

8.2. The Council has funded its various subsidiaries via loan facilities which enabled them to buy certain properties resulting from the Council's past regeneration schemes. There are no plans in the current Capital programme to further increase such investments. The table below sets out the list of loan facilities and their outstanding balances as of 31 March 2026.

Table 6: Companies Loans 2025/26	31.03.2025 Principal £'m	2025-26 Net Movement £'m	31.03.2026 Principal £'m	Interest Rate %
James Elliman Homes (JEH)	51.70	-	51.70	3.00%
Slough Urban Renewal (SUR)	0.87	-	0.87	6.50%
Ground Rent Estates 5 (GRE5)	5.17	(3.95)	1.22	6.00%
Slough Children First (SCF)	0.00	-	0.00	7.05%
Sub-Total:	**57.75**	**(3.95)**	**53.80**	

8.3. In 2025-26, a Deed of Release signed with GRE5 to release them for a part of the obligations (£4.55m) associated with the loan provided by the Council, including interest due.

9. Legal Implications

9.1. The powers for a local authority to borrow and invest are governed by the Local Government Act 2003 and associated Regulations. A local authority may borrow or invest for any purpose relevant to its functions, under any enactment, or for the purpose of the prudent management of its financial affairs. The Regulations also specify that authorities should have regard to the CIPFA Treasury Management Code, the Government Investments Guidance and the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out their treasury management functions.

10. Environmental/Sustainability/Biodiversity implications

10.1. Ethical or Sustainable investing is becoming a more commonplace discussion within the wider investment community. There are currently a small, but growing number of financial institutions and fund managers promoting Environmental, Social and Governance (ESG) products however the types of products we can invest in are constrained to those set out in our Investment Strategy which is driven by investment guidance, both statutory and from CIPFA, making it clear that all investing must adopt SLY principles – security, liquidity and yield: ethical issues must play a subordinate role to those priorities.

10.2. The Council does not invest directly in any companies – other than our own - and our investments are primarily limited to investments with the banking sector and other authorities (term deposits etc) and investments in property (our investment properties).

11. Council Policy

11.1. This is set out in the Treasury Management Policy Statement, the Annual Investment Strategy, and associated Treasury Management Practices and schedules.

11.2. The Council's treasury management policy statement states:

"The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks."

11.3. It is the security of investments that has always been the main emphasis of our treasury strategy. In balancing risk against return, Officers continue to place emphasis on the control of risk over yield following investment guidance, both statutory and from CIPFA, which make it clear that all investing must adopt SLY principles – security, liquidity and yield in that order.

12. Risk Implications

12.1. The risks associated with Treasury Management activities are set out in the Council's Treasury Management Strategy approved in March 2025 and in the Council's Statement of Accounts.

12.2. The risks associated with Non-Treasury Investments are set out in the Council's Capital and Investment Strategy approved in March 2025.

13. Conclusions

13.1. The challenging economic and political environment continued throughout 2025/26. The Council's treasury management priorities remained the security and liquidity of its investments, while continuing to manage financing risk, counterparty credit risk and interest rate risk exposures within the approved risk parameters.

13.2. During the year, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2025/26, while recognising that setting Operational Boundary and General Fund's capital cost of borrowing could have been more accurate at the time of TMSS.

13.3. All treasury management operations have been conducted in compliance with the Council's Treasury Management Practices.

14. Appendices

- Appendix A - Prudential and Treasury Indicators 2025/26
- Appendix B - Borrowings as of 31 March 2026
- Appendix C - Investments as of 31 March 2026
- Appendix D – Abbreviations

Appendix A

Prudential and Treasury Indicators 2025/26 as of 31 March 2026

The Authority measures and manages its capital expenditure, borrowing with references to the following indicators. It is a requirement of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code that these are reported on a quarterly basis.

Capital Expenditure: The Authority has undertaken capital expenditure as summarised below.

	2025/26 Budget £'m	2025/26 Actual £'m
General Fund services	27.4	17.7
Council housing (HRA)	26.5	20.4
Capitalisation Direction	15.7	15.7

Capital Financing Requirement: The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt.

	31.03.2026 Budget £'m	31.03.2026 Actual £'m
General Fund services	466.4	504.4
Council housing (HRA)	164.6	164.6
Capitalisation Direction	15.7	15.7
Total CFR	**646.7**	**684.7**

Gross Debt and the Capital Financing Requirement: Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	31.03.2026 Budget £'m	31.03.2026 Actual £'m
Debt (incl. PFI and Leases)	463.8	506.9
Capital Financing Requirement	646.7	684.7

Debt and the Authorised Limit and Operational Boundary: The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

	31.03.2026 Balance £'m	2025/26 Authorised Limit, £'m	2025/26 Operational Boundary, £'m
Borrowing	469.8	656.7	446.7
PFI and Finance Leases	37.1	27.2	27.2
Total debt	**506.9**	**683.9**	**473.8**

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt was above the Operational Boundary but below Authorised Limit.

Proportion of Financing Costs to Net Revenue Stream: Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. Note investment income has been removed from the definition of financing costs.

The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, Business Rates and Government grants.

	2025/26 Budget	2025/26 Actual
Financing costs, GF (£'m)	28.0	31.3
Proportion of net revenue stream (%)	17%	22%

	2025/26 Budget	2025/26 Actual
Financing costs, HRA (£'m)	4.5	4.6
Proportion of net revenue stream (%)	10%	10%

Investment Treasury Indicator and Limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

There were no investments made for a period of greater than 365 days as of 31 March 2026.

	31.03.26 Budget £'000	31.03.26 Actual £'000
Upper limit for principal sums invested over 365 days *(split by financial years beyond current year end)*	0	0

Maturity structure of fixed interest rate borrowing - As the Council does not borrow at variable rates of interest, the upper limit on this type of debt will always be nil, therefore no table has been produced for variable interest rate borrowing.

	Upper Limit	Lower Limit	Debt Proportion 31.03.2026
Under 12 months**	30%	0%	9.47%
12 months to 2 years	30%	0%	11.43%
2 years to 5 years	30%	0%	18.23%
5 years to 10 years	40%	0%	27.95%
10 years and above	70%	0%	32.92%

** Note1 borrowing limits exclude lease liabilities arising under IFRS16*
***Note2 borrowing due within 1 year is considered as variable rate borrowing even though in Council's case it is 100% fixed rate borrowing.*

Appendix B

Borrowing Outstanding Balances as of 31 March 2026

Type	Deal Ref	Start Date	Maturity Date	Counterparty	Profile	Rate	Principal (£)
PWLB	712285	18/03/24	18/04/26	PWLB	EIP	5.3200%	10,780,000.00
PWLB	498001	30/09/10	30/09/27	PWLB	Maturity	3.8500%	3,280,000.00
PWLB	487800	25/03/09	25/03/28	PWLB	Maturity	4.4500%	820,000.00
PWLB	488859	31/03/13	25/09/29	PWLB	Maturity	4.9500%	410,000.00
PWLB	852440	15/08/25	10/08/30	PWLB	EIP	4.6000%	9,000,000.00
PWLB	509818	02/09/19	02/03/31	PWLB	EIP	1.0700%	8,695,652.16
PWLB	489227	15/10/08	15/10/31	PWLB	Maturity	4.7000%	4,100,000.00
PWLB	815776	10/04/25	08/04/32	PWLB	EIP	4.7900%	9,285,714.29
PWLB	870175	20/10/25	19/10/33	PWLB	EIP	4.8200%	10,000,000.00
PWLB	509540	25/07/19	25/07/34	PWLB	EIP	1.4000%	7,366,666.69
PWLB	871010	22/10/25	21/10/34	PWLB	EIP	4.7700%	10,000,000.00
PWLB	871330	23/10/25	22/10/34	PWLB	EIP	4.7600%	10,000,000.00
PWLB	778305	26/11/24	26/11/34	PWLB	EIP	5.0200%	18,000,000.00
PWLB	785002	20/12/24	20/12/34	PWLB	EIP	4.9200%	18,000,000.00
PWLB	799024	11/02/25	11/02/35	PWLB	EIP	5.0000%	9,000,000.00
PWLB	857491	05/09/25	15/02/35	PWLB	EIP	4.9000%	9,473,684.21
PWLB	812662	31/03/25	30/03/35	PWLB	EIP	5.0700%	9,000,000.00
PWLB	763241	27/09/24	24/09/35	PWLB	EIP	4.4500%	8,636,363.63
PWLB	909374	03/03/26	29/02/36	PWLB	EIP	4.6200%	10,000,000.00
PWLB	910870	09/03/26	07/03/36	PWLB	EIP	4.5900%	10,000,000.00
PWLB	914985	23/03/26	21/03/36	PWLB	EIP	5.1100%	10,000,000.00
PWLB	915466	24/03/26	21/03/36	PWLB	EIP	5.0400%	10,000,000.00
PWLB	490923	03/11/08	01/05/36	PWLB	Maturity	4.1500%	2,460,000.00
PWLB	490924	01/02/09	01/08/36	PWLB	Maturity	4.1500%	4,100,000.00
PWLB	870508	21/10/25	17/10/36	PWLB	EIP	4.9100%	10,000,000.00
PWLB	507555	24/07/18	19/07/38	PWLB	EIP	2.1200%	15,625,000.00
PWLB	494837	01/02/09	01/08/38	PWLB	Maturity	4.7200%	4,100,000.00
PWLB	508164	11/12/18	11/12/38	PWLB	EIP	2.0800%	13,000,000.00
PWLB	509380	21/06/19	21/06/39	PWLB	EIP	1.6900%	16,875,000.00
PWLB	508766	14/03/19	14/03/44	PWLB	EIP	2.2200%	36,000,000.00
PWLB	507556	24/07/18	19/07/48	PWLB	EIP	2.3600%	18,750,000.00
PWLB	507959	30/10/18	30/10/68	PWLB	Maturity	2.5900%	20,000,000.00
PWLB Total						**3.7186%**	**336,758,080.98**
Fixed	164	12/07/04	10/07/54	Barclays Bank	Maturity	4.7600%	3,280,000.00
Fixed Total						**4.7600%**	**3,280,000.00**
LOBO Vanilla	165	07/04/06	07/04/26	FMS Wertmanag	Maturity	3.9900%	4,100,000.00
LOBO Vanilla	166	28/04/06	28/04/66	Dexia	Maturity	3.7500%	3,280,000.00
LOBO Vanilla Total						**3.8833%**	**7,380,000.00**
General Fund, Total Borrowing						**3.7319%**	**347,418,080.98**

Type	Deal Ref	Start Date	Maturity Date	Counterparty	Profile	Rate	Principal (£)
PWLB	498001	30/09/10	30/09/27	PWLB	Maturity	3.8500%	720,000.00
PWLB	487800	25/03/09	25/03/28	PWLB	Maturity	4.4500%	180,000.00
PWLB	500578	28/03/12	28/03/28	PWLB	Maturity	3.0800%	20,000,000.00
PWLB	488859	31/03/13	25/09/29	PWLB	Maturity	4.9500%	90,000.00
PWLB	489227	31/03/13	15/10/31	PWLB	Maturity	4.7000%	900,000.00
PWLB	500582	28/03/12	28/03/32	PWLB	Maturity	3.3000%	20,000,000.00
PWLB	490923	03/11/08	01/05/36	PWLB	Maturity	4.1500%	540,000.00
PWLB	490924	01/02/09	01/08/36	PWLB	Maturity	4.1500%	900,000.00
PWLB	500579	28/03/12	28/03/37	PWLB	Maturity	3.4400%	20,000,000.00
PWLB	494837	01/02/09	01/08/38	PWLB	Maturity	4.7200%	900,000.00
PWLB	500584	28/03/12	28/03/39	PWLB	Maturity	3.4700%	20,000,000.00
PWLB	500581	28/03/12	28/03/41	PWLB	Maturity	3.4900%	15,841,000.00
PWLB	500580	28/03/12	28/03/42	PWLB	Maturity	3.5000%	20,000,000.00
PWLB Total						**3.4110%**	**120,071,000.00**
Fixed	164	12/07/04	10/07/54	Barclays Bank	Maturity	4.7600%	720,000.00
Fixed Total						**4.7600%**	**720,000.00**
LOBO Vanilla	165	07/04/06	07/04/26	FMS Wertmanag	Maturity	3.9900%	900,000.00
LOBO Vanilla	166	28/04/06	28/04/66	Dexia	Maturity	3.7500%	720,000.00
LOBO Vanilla Total						**3.8833%**	**1,620,000.00**
HRA, Total Borrowing						**3.4251%**	**122,411,000.00**

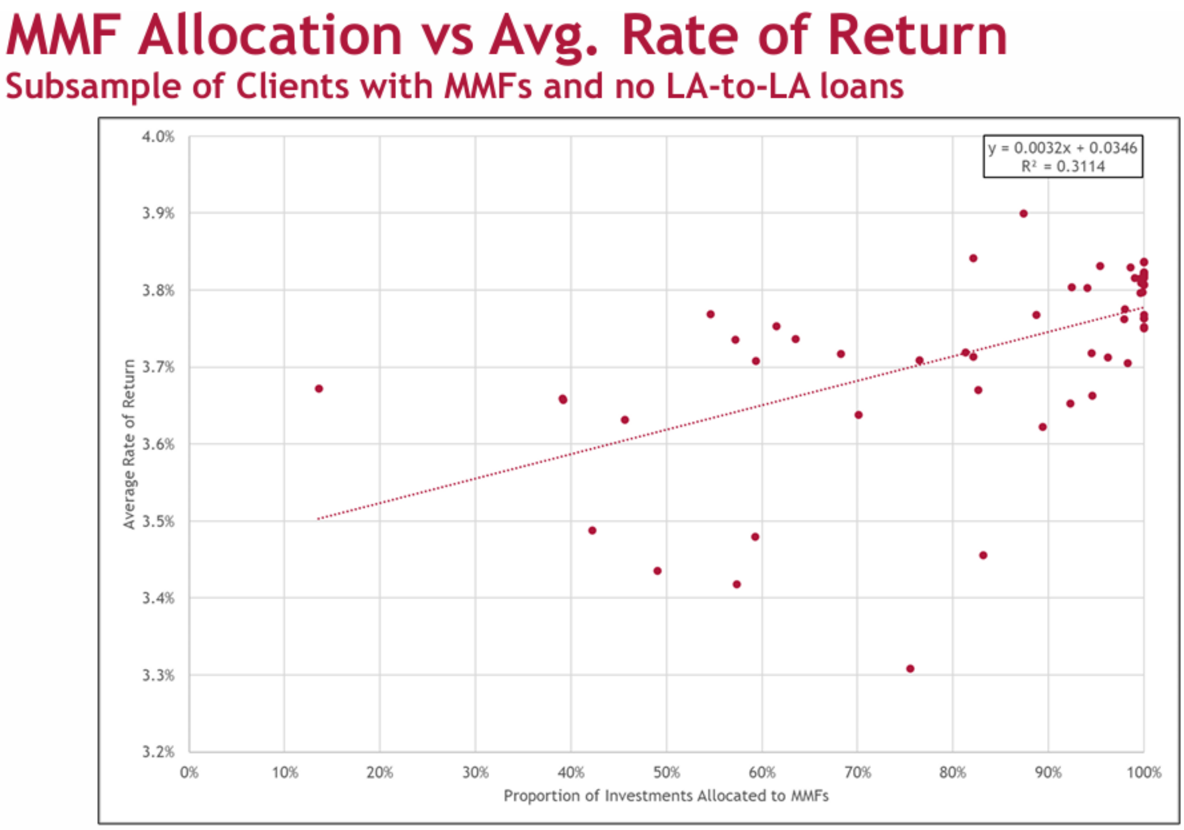
Grand Total, Borrowing	**469,829,080.98**

Appendix C

Treasury Investments Balances as of 31 March 2026

Type	Deal Ref	Maturity Date	Counterparty	Profile	Rate	Principal (£)
MMF	2100003275		Federated Prime Rate Sterling Liquidity 3	Maturity	3.8330%	-9,270,000.00
MMF	2100003318		LGIM Sterling Liquidity 4	Maturity	3.8390%	-10,000,000.00
MMF Total					**3.8361%**	**-19,270,000.00**
Deposit Total					**3.8361%**	**-19,270,000.00**
Grand Total, Treasury Investments						**-19,270,000.00**

Arlingclose's benchmarking for MMF Rate of Return in 2025-26



Appendix D

Abbreviations Used

CE: Capital Economics - is the economics consultancy that provides Link Group, Treasury solutions, with independent economic forecasts, briefings and research.

CFR: Capital Financing Requirement - the Council's annual underlying borrowing need to finance capital expenditure and a measure of the Council's total outstanding indebtedness.

CIPFA: Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

CPI: Consumer Price Index – the official measure of inflation adopted as a common standard by the UK and countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

DLUHC: the Department for Levelling Up, Housing and Communities - renamed into MHCLG after July 2024 elections.

ECB: European Central Bank - the central bank for the Eurozone

EU: European Union

EZ: Eurozone -those countries in the EU which use the euro as their currency

Fed: The Federal Reserve System, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.

FOMC: the Federal Open Market Committee – this is the branch of the Federal Reserve Board which determines monetary policy in the USA by setting interest rates and determining quantitative easing/tightening policy. It is composed of 12 members - the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.

GDP: Gross Domestic Product – a measure of the growth and total size of the economy.

G7: The group of seven countries that form an informal bloc of industrialised democracies - the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom - that meets annually to discuss issues such as global economic governance, international security, and energy policy.

Gilts: Gilts are bonds issued by the UK Government to borrow money on the financial markets. Interest paid by the Government on gilts is called a coupon and is at a rate that is fixed for the duration until maturity of the gilt, (unless a gilt is index linked to inflation); while the coupon rate is fixed, the yields will change inversely to the price of gilts i.e., a rise in the price of a gilt will mean that its yield will fall.

HRA: Housing Revenue Account.

IMF: International Monetary Fund - the lender of last resort for national governments which get into financial difficulties.

Laddering of Deposits is an investment strategy where an investor creates a ladder of fixed term deposits by spreading investments across multiple fixed term deposits and tenures rather than a single investment in a long-term fixed term deposit. This helps to optimise returns whilst maintaining better liquidity and increasing the safety of cash. This strategy is particularly useful in times of higher inflation and rising or high interest rates.

MHCLG: Ministry of Housing, Communities and Local Government (formerly also known as DLUHC) - a ministerial department of the Government of the United Kingdom that is responsible for housing, communities, and local government in England.

MPC: The Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing/tightening.

MRP: Minimum Revenue Provision - a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).

PFI: Private Finance Initiative – capital expenditure financed by the private sector i.e., not by direct borrowing by a local authority.

PWLB: Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.

QE/QT: Quantitative easing – is an unconventional form of monetary policy where a central bank creates new money electronically to buy financial assets, such as government bonds, (but may also include corporate bonds). This process aims to stimulate economic growth through increased private sector spending in the economy and also aims to return inflation to target. These purchases increase the supply of liquidity to the economy; this policy is employed when lowering interest rates has failed to stimulate economic growth to an acceptable level and to lift inflation to target. Once QE has achieved its objectives of stimulating growth and inflation, QE will be reversed by selling the bonds the central bank had previously purchased, or by not replacing debt that it held which matures. This is called quantitative tightening. The aim of this reversal is to ensure that inflation does not exceed its target once the economy recovers from a sustained period of depressed growth and inflation. Economic growth, and increases in inflation, may threaten to gather too much momentum if action is not taken to 'cool' the economy.

RPI: The Retail Price Index is a measure of inflation that measures the change in the cost of a representative sample of retail goods and services. It was the UK standard for measurement of inflation until the UK changed to using the EU standard measure of inflation – Consumer Price Index. The main differences between RPI and CPI is in the way that housing costs are treated and that the former is an arithmetical mean whereas the latter is a geometric mean. RPI is often higher than CPI for these reasons.

SONIA: The Sterling Overnight Index Average. Generally, a set of indices for those benchmarking their investments. The benchmarking options include using a forward-looking (term) set of reference rates and/or a backward-looking set of reference rates that reflect the investment yield curve at the time an investment decision was taken.

TMSS: The Annual Treasury Management Strategy statement reports that all local authorities are required to submit for approval by the Full Council before the start of each financial year.