Annexes B & C to this Appendix are not for publication as they contain exempt information of the description in Paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972.

9.1 Appendix 1

Treasury Management Annual Report 2023/24

Cardiff Council

Introduction

1. Treasury management activities are the management of the organisation's 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.

2. The Council carries out its treasury management activities in accordance with a code developed for public services and updated in 2021 by the Chartered Institute of Public Finance and Accountancy (CIPFA).

3. The Council has delegated responsibility for treasury management to the Corporate Director of Resources (S151 Officer). The Council's Treasury Management Practices which are updated annually, identifies specific responsibilities of officers as well as setting out schedules highlighting the way in which treasury activities are managed.

4. On 25th February 2010, Council approved policies and adopted the four clauses of the treasury management code which are replicated in **Annexe A** for information. Council received a report in March 2023 on the Council's Treasury Management Strategy for 2023/24 and a mid-year review in November 2023.

5. Treasury Management is an integral part of the Council's Strategic and Financial planning framework, with borrowing activities primarily because of historic and future capital expenditure approved by Council as part of the Council's Capital Investment programme.

6. This report provides members with an annual report for the Council's Treasury Management activities for 2023/24. It covers:-

- the economic background to treasury activities
- treasury investment strategy and outturn for 2023/24
- borrowing strategy and outturn for 2023/24 including debt rescheduling
- compliance with treasury limits and prudential indicators
- resilience of the Treasury Management function
- treasury management issues for 2024/25.

7. The Governance and Audit Committee terms of reference in relation to Treasury Management includes the following:

• To seek assurances that the Council has complied with the Treasury Management Strategy and Practices by demonstrating effective control of the associated risks and pursuing optimum performance consistent with those risks.

• To review the treasury management policy and procedures to be satisfied that controls are satisfactory.

• To review the treasury risk profile and adequacy of treasury risk management processes.

• To review assurances on treasury management (for example, an internal audit report, external audit or other review).

• To develop awareness and understanding of treasury matters, and to receive regular reports on activities, issues and trends to support the committee's understanding of treasury management activities. (The committee is not responsible for the regular monitoring of treasury management policies and practices, which are the responsibility of the Cabinet, under the Council's Scheme of Delegations (Section 2, paragraph 10), the approved Treasury Management Policy Statement and the Third Clause of Treasury Management, as set out therein).

8. A glossary of key treasury management terms is included at Annexe E. It should be noted that performance and risk in respect to non-treasury management investments such as property are not reported as part of this Annual Report.

Economic Background

9. Against a backdrop of sustained inflationary pressures and war in Ukraine and the Middle East, interest rates were volatile during the 2023/24 financial year, with Gilts and PWLB rates of all durations experiencing significant fluctuations. The 10 year UK Government Gilt yield rose from a start of approx. 3.4% in the first half to a peak of 4.7% in August before trending down to end the financial year below 4%.

10. Inflation measured by the Consumer Price Index (CPI) declined throughout the financial period, from a high of 8.7% at the start of the period, to 3.2% in March 2024, but remained significantly above the Bank of England's target of 2% throughout the period. Core inflation, which excludes food, energy, alcohol and tobacco, was below headline RPI, but remained significantly higher than the Bank of England target, trending from 6.8% in April 2023 down to 4.2% by March 2024, led by services inflation above 5%, with goods lower at 0.9%.

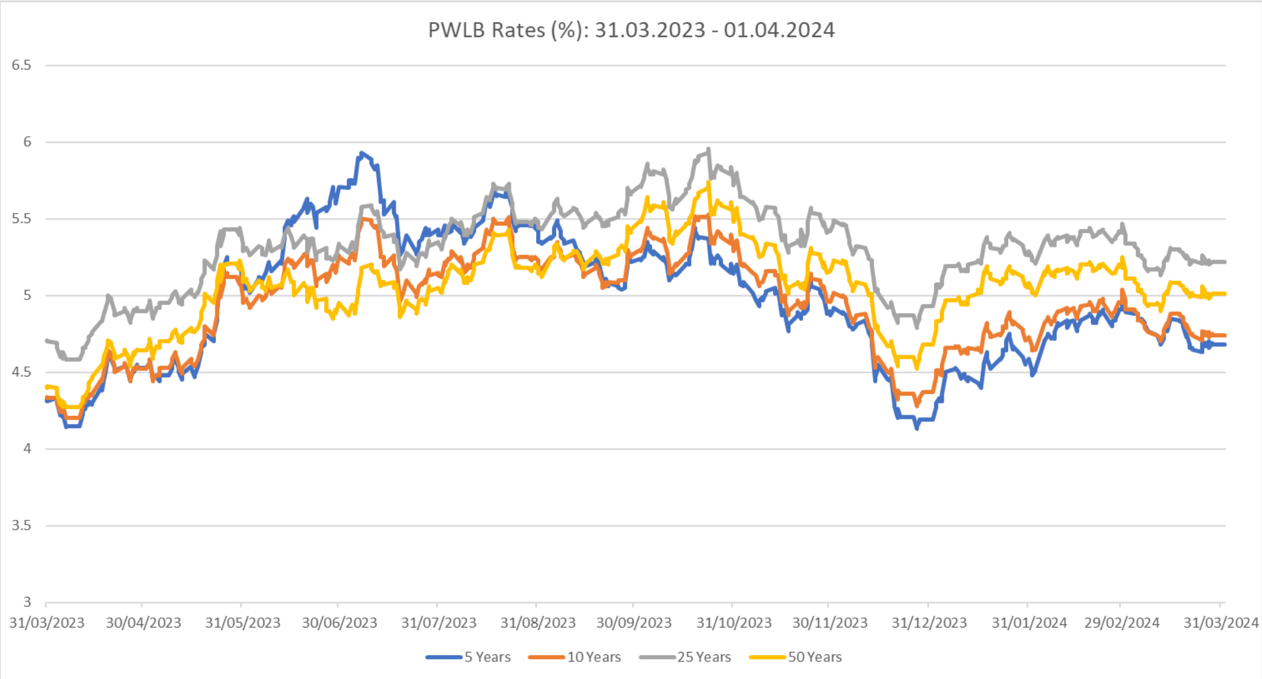
11. Labour markets remained tight, with unemployment at multi decade lows of below 4%, and growth in earnings high, reaching a peak of 7.9% during the year, although the rate of increase fell to 6.1%.

12. Continuing its response to above target inflation levels, the Bank of England raised interest rates a further three times in increments of 0.25% or 0.5%, from 4.25% in April 2023, and reached a peak of 5.25% in August 2023, with rates held at that level through the rest of the period. With annualised inflation falling throughout 2023/24, interest rates

are expected to fall in 2024/25.

13. With rising interest rates, the UK entered a technical recession during 2023/24, with two consecutive marginal declines in real Gross Domestic Product (GDP) in Jul – Sep and Oct – Dec 2023. Despite this, the economy was broadly stable with a marginal increase in real GDP recorded in Jan – Mar 2024.

14. The Public Works Loan Board is one source of local authority borrowing and is subject to annual review of Council eligibility. PWLB rates are based on gilt (UK Government bonds) yields, however HM Treasury determine a specified margin to add to gilt yields for any local authority borrowing. Most local authorities can undertake loans at the PWLB Certainty Rate, which is gilt rate plus 80 basis points (G+80 bps). A preferential rate of gilt plus 40 basis points is available for borrowing for the development of new affordable housing. As a general rule, shorter term gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.



Investments and Outturn

15. The Council's treasury investments include those arising from its own temporary cash balances as well as balances held from activities of Joint Committees such as the Cardiff Capital Region City Deal, for which it is the accountable body. In respect to the latter an agreement is in place, as part of the transition to Corporate Joint Committee, to transfer an estimate of balances held during April 2024.

16. The management of the day-to-day cash requirements of the Council is undertaken in-house with credit advice from Link Asset Services, the Council's Treasury Management advisors. This may involve temporary borrowing pending receipt of income or the temporary lending of surplus funds. Investment balances fluctuate daily and arise from

a number of sources including differences in timing of revenue and capital cash flows, reserves, provisions and other balances held for future use.

17. The Council invests with institutions approved by Council as part of its Treasury Management Strategy and in accordance with investment guidelines established by the Welsh Government. As part of the Markets and Financial Instruments Directive II, the Council elected for 'professional' status. The categories, names, periods and size limits on the Council's approved investment list can be extended, varied or restricted at any time by the Corporate Director Resources under delegated powers and are monitored closely in conjunction with the Council's treasury advisors.

18. Whilst the average daily cash balance was £158.6 million during 2023/24, at 31 March 2024, investments stood at £119.3 million. The Council's choice of investments maintained an approach of security, where the amount invested is that repayable, then liquidity and only then yield. **Annexe B** shows with whom these investments were held at 31 March 2024.

19. A selection of charts in relation to investments is included in **Annexe C.** The main areas to highlight at 31 March 2024 are as follows:-

- Counterparty exposure against the maximum allowed directly with an organisation. This shows that at 31 March 2024 no exposure limits set were breached. This was also the case during the year.
- Investments held with different institutions as a percentage of the total shows that investments are diversified over a number of organisations and this was a strategy applied where possible during the year.
- The geographic spread of investments as determined by the country of origin of relevant organisations. All investments are in sterling and countries are rated AA and above as per our approved criteria.

20. Using historic data adjusted for current financial market conditions, the probability of default for all investments held at 31 March 2024 is deemed negligible. They are all deemed recoverable and no impairment losses are reflected in the Council's 2023/24 Statement of Accounts arising from the Council's treasury management activities.

21. The overall level of interest receivable from treasury investments for the General Fund totalled £4 million in 2023/24. The average returns achieved compared to current industry benchmarks are shown in the table below.

	Return on Investment 2023/2024	
	Benchmark 7 day / 3month (%)	**Achieved (%)**
In-house	4.95 / 5.12	4.76

22. For benchmarking purposes, the Sterling Overnight Index Average rate (SONIA) for seven days and 3 months uncompounded is used, with Council performance below such benchmarks during 2023/24. This is not unexpected in an increasing interest rate environment as deposits already made cannot be re-invested at higher rates until they mature.

23. Investment returns picked up throughout the course of 2023/24 as central banks, including the Bank of England, realised that inflationary pressures were not transitory, and that tighter monetary policy was called for.

24. With uncertainty in bond and financial markets, short term investments of the type used by the Council i.e bank deposits less than one year, offered increased interest rates at Bank Rate or above. This was the particularly the case for maturing deposits entered into in previous years, which would benefit from higher rates, where cash balances allowed.

25. The Council continued to take a cautious approach to investing and is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Borrowing and Outturn

26. Borrowing is undertaken to finance the Council's capital programme and manage any short-term cash flow requirements. The main sources of borrowing are identified in the table below.

27. At 31 March 2024, the Council had £893.8 million of external borrowing. This was predominantly fixed interest rate borrowing from the Public Works Loan Board (PWLB) payable on maturity.

31 March 2023			31 March 2024	
£m	Rate (%)		£m	Rate (%)
759.7		Public Works Loan Board	786.7	
51.0		Market (Lender Option Borrower Option)	51.0	
44.4		Welsh Government	56.1	
0		Local Authority	0	
855.1	**3.96**	**Total External Debt**	**893.8**	**3.93**

28. It should be noted that there have been a number of recent changes to PWLB lending criteria which now includes a prohibition to deny access to borrowing from the PWLB for any local authority incurring expenditure on 'assets primarily for yield'.

29. All borrowing is in the name of the Council and a single pool of debt is currently maintained rather than having separate loans for the Housing Revenue Account (HRA). Total interest payable on external debt during 2023/24 was £33.9 million of which £14.1 million was payable by the HRA. In total £45 million was set aside from General Fund and HRA revenue budgets in line with the Councils approved policy on prudent provision for debt repayment.

30. Extracts from the borrowing policy and strategy approved by Council in March 2023 are shown below.

- *Promoting revenue cost stability to aid financial planning and avoid a stop-start approach to service delivery, although it is recognised that this may have a financial impact.*
- *Pooling borrowing and investments to ensure the whole Council shares the risks and rewards of treasury activities.*
- *Ensuring borrowing plans are aligned to known capital expenditure spending plans and financial reserve levels.*
- *Achieving a balanced maturity profile.*
- *Having regard to the effects on current and future Council Tax and rent payers.*

In managing the Capital Financing Requirement, a pragmatic approach will be adopted by Council's Section 151 Officer due to changing circumstances with the following combination of approaches proposed.

- *Internal borrowing (using temporary cash balances available) will be maximised in the very near term, whilst ensuring sufficient liquidity, to minimise short term costs. Subject to balance sheet capacity, it is suggested that a targeted level of internal borrowing would be circa £100 million or 10% of the Capital Financing Requirement.*
- *Short term external borrowing between 1 and 5 years will be undertaken given the current view that interest rates on long term borrowing will fall in the medium term.*
- *Medium to long term borrowing will be undertaken to mitigate against the risk of future interest rates not falling as expected and being exposed to risks of interest rates increasing when funds are required. This is likely to be at fixed rates to meet the long-term borrowing policy aims of certainty.*

31. During 2023/24, £4.4 million of loans matured and were repaid. New interest free repayable loans totalling £13.1 million were received from the Welsh Government including a loan to be provided to Cardiff Heat Network Ltd, Town Centre and Central Market regeneration. New Public Works Loan Board loans of £30.0 million was undertaken in March 2024. The average maturity period of the new PWLB loans was five years at an average interest rate of 4.45%.

32. As part of its loan portfolio, the Council has six Lender Option Borrower Option (LOBO) loans totalling £51 million. These are where the lender can request a change in the rate of interest payable by the Council on pre-determined dates. The Council at this point has the option to repay the loan, but this option is conditional and would require the lender to ask for an increase in the current rates to trigger such an event. Apart from the option to increase rates these loans are comparable to PWLB and have no other complications such as variation in interest rates or complex terms.

33. Interest rates on the LOBO's held range between 3.81% and 4.35% which are not unreasonable given the council's average rate. Details of the loans are shown in the table below.

34. None of the LOBO's had to be repaid during 2023/24. £24 million of the LOBO loans are subject to the lender having the right to change the rate of interest payable during the next financial year. The Council has the right to refuse the change, triggering early repayment and the need to re-finance. This is a manageable refinancing risk as LOBO's form a relatively low proportion of the Council's overall borrowing at 5.71%.

£m	Rate	Potential Repayment Date	Option Frequency	Full Term Maturity
6	4.28%	22/11/2024	6 months	21/11/2041
6	4.35%	22/11/2024	6 months	21/11/2041
6	4.06%	22/11/2024	6 months	23/05/2067
6	4.08%	01/03/2025	6 months	23/05/2067
22	3.81%	21/11/2025	5 years	23/11/2065
5	4.10%	17/01/2028	5 years	17/01/2078

35. In accordance with the borrowing strategy, the Council is undertaking internal borrowing which is when it uses temporary cash balances it holds in the short term instead of undertaking external borrowing. The level of internal borrowing is £102 million as at 31 March 2024, and this is confirmed by a comparison of the Council's external level of debt and its Capital Financing Requirement at 31 March 2024 as shown later in this report. The borrowing strategy will continue to look at options to manage the Council's future borrowing requirement using a mix of internal and external borrowing, having regard to future interest expectations before entering into longer term borrowing commitments.

Debt Rescheduling

36. No debt rescheduling or early repayment of debt was undertaken during 2023/24. Subject to current interest rates on loan for equivalent periods, either a penalty (premium) is payable or discount receivable if loans are repaid early. The cost of premiums or discounts receivable can be spread over future years. Whilst there may be short terms savings, these may be outweighed by potentially longer-term costs.

37. Historically the main obstacle has been the premium that would be chargeable on early repayment by the PWLB and also a penalty rate or lower early repayment interest rate which was introduced by HM Treasury in November 2007, which reduced the flexibility of Local Authorities to make savings. The net discount receivable on the balance of PWLB loans at 31 March 2024, which are eligible for early repayment (£787 million), is £99 million.

38. The Council has previously considered the opportunity for early repayment of LOBO loans. Current elevated interest rates in the market increase the likelihood of a change event triggered by the lender.

Compliance with treasury limits and prudential indicators

39. During the financial year the Council operated within the treasury limits and prudential indicators set out in the annual Treasury Management Strategy. The actual outturn is shown in the following paragraphs and compared to the original estimates contained in the 2023/24 Budget Report. Future year's figures are taken from the Budget Report for 2024/25 and will be updated in the Budget Report for 2025/26.

Capital Expenditure

40. The "Prudential Code" requires the Council to estimate the capital expenditure that it plans to incur over the Medium Term. The actual capital expenditure incurred in 2023/24 and estimates of capital expenditure for the current and future years as set out in the Budget Report of March 2024 are as follows:-

Capital Expenditure							
	2023/24 Actual £m	**2023/24 Original Estimate £m**	**2024/25 Estimate Month 4 £m**	**2025/26 Estimate £m**	**2026/27 Estimate £m**	**2027/28 Estimate £m**	**2028/29 Estimate £m**
General Fund	195	203	310	281	138	78	69
Housing Revenue Account	106	111	144	197	165	121	126
Total	**301**	**314**	**454**	**478**	**303**	**199**	**195**

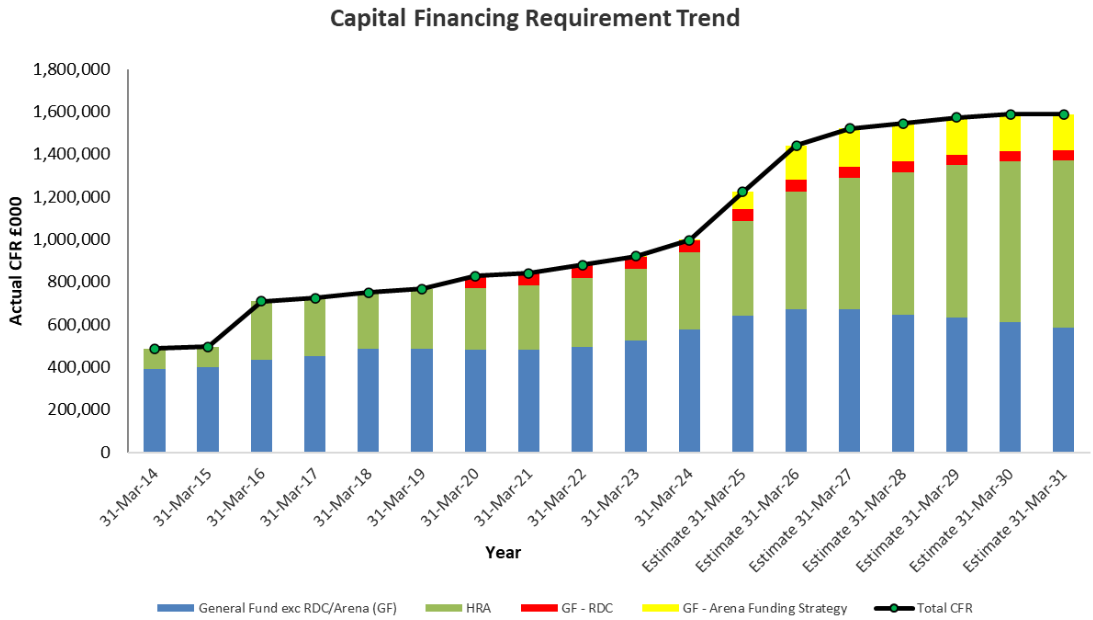
Capital Financing Requirement (CFR) – The Borrowing Requirement (Excluding Landfill Provision)

41. Where capital expenditure has been incurred without a resource to pay for it i.e. when proposed to be paid for by supported or unsupported borrowing, this will increase what is termed the Council's Capital Financing Requirement (CFR) which is the Council's underlying need to borrow. The Council is required to make a prudent provision for the repayment of historic capital expenditure from its revenue budget in line with its agreed policy which reduces the CFR. Calculation of the CFR is summarised in the table below and results in the need to borrow money.

Movement	Opening Capital Financing Requirement (CFR)
+	Capital expenditure incurred in year
-	Grants, contributions, reserves and receipts used for capital expenditure
-	Prudent Minimum Revenue Provision and Voluntary Repayment
=	**Closing Capital Financing Requirement (CFR)**

42. The chart below shows the trend in the CFR including the Housing Revenue Account. The latter includes the £187 million payment made from the HRA to HM Treasury to exit the subsidy system in 2015/16. As highlighted in the Treasury Management Strategy, the CFR is expected to grow in future years, requiring an increase in borrowing to pay for planned expenditure commitments, including those assumed to pay for themselves from future income or savings. These include the indoor arena funding strategy, new

housing, and the 21st century school's financial model. Forecasts are to be updated as part of the budget report for 2025/26.



43. The CFR as at 01 April 2023 was £920 million. The actual CFR as at 31 March 2024, estimates for current and future years (estimated in the March 2024 budget) are shown in the table below and exclude non-cash backed provisions in relation to Landfill after care provision:-

Capital Financing Requirement (Excludes landfill provision)							
	2023/24 Actual £m	**2023/24 Original Estimate £m**	**2024/25 Estimate Month 4 £m**	**2025/26 Estimate £m**	**2026/27 Estimate £m**	**2027/28 Estimate £m**	**2028/29 Estimate £m**
General Fund	576	575	598	671	671	645	634
General Fund – Red Dragon Centre	57	57	56	54	52	51	49
General Fund (Arena Funding Strategy)	1	10	33	161	181	179	176
Housing Revenue Account	362	391	435	553	618	670	714
Total CFR	**996**	**1,033**	**1,122**	**1,440**	**1,522**	**1,545**	**1,573**
External Debt	**894**						
Over / (Under) Borrowing	**(102)**						

44. By comparing the CFR at 31 March 2024 (£996 million) and the level of external debt at the same point in time (£894 million), it can be seen that the Council is internally or under borrowed i.e. it is using internal cash balances to finance its capital expenditure as at 31 March 2024 (£66 *million at 31 March 2023).*

Actual External Debt

45. The Code requires the Council to indicate its actual external debt at 31 March 2024 for information purposes. This was £894 million as shown in the earlier paragraphs.

Affordable Borrowing Limit

46. The Council has a statutory duty under section 3 of the Local Government Act 2003 and supporting regulations to determine and keep under review how much it can afford to borrow and to enter into credit arrangements (the "Affordable Borrowing Limit"). This cannot be breached without Council approval. Council must have regard to the Prudential Code when setting this limit which is intended to ensure that total capital investment remains within sustainable limits and that the impact upon future council tax/rent levels is affordable.

47. During 2023/24 the Council remained within the authorised limit of £1,517 million set for that year.

Operational Boundary

48. The operational boundary is the estimated level of external borrowing set at the start of the year and is subject to the level and timing of borrowing decisions during the year. The actual level of borrowing can therefore be below or above this initial estimate, but what cannot be breached is the affordable borrowing limit mentioned above. The boundary was estimated to be £1,033 million at 31 March 2024, to match the forecast for the CFR when setting the 2023/24 budget in March 2023.

Maturity Structure of Fixed Rate Borrowing

49. Limits or bandings are required to be set to avoid having large amounts of debt maturing in a short space of time, thus being exposed to significant liquidity risk and interest rate risk. The maturity structure remains within the limits as approved by the current Treasury Management Strategy, which increased the upper limits in earlier bandings to support the Council's strategy of borrowing short term loans and refinancing in the medium term when interest rates are expected to fall. This strategy is based on current interest forecasts in the financial markets, but remains a significant risk if such forecasts do not materialise.

	31-Mar-23			**31-Mar-24**			
	Loans to Maturity		**Upper limit**	**Loans to Maturity**		**Loans if LOBO's Paid Early**	
	%	**£m**	**%**	**%**	**£m**	**%**	**£m**
Under 12 months	0.51	4.4	35	1.62	14.4	4.30	38.4
12 months and within 24 months	0.51	4.4	35	0.67	6.0	3.13	28.0
24 months and within 5 years	3.45	29.5	40	7.62	68.2	8.19	73.2
5 years and within 10 years	11.74	100.4	30	11.87	106.0	11.86	106.0
10 years and within 20 years	20.40	174.4	30	19.04	170.2	17.70	158.2
20 years and within 30 years	21.38	182.8	30	20.72	185.2	20.72	185.2
30 years and within 40 years	25.05	214.2	30	24.48	218.8	24.48	218.8
40 years and within 50 years	16.37	140.0	30	13.42	120.0	9.62	86.0

50 years and within 60 years	0.59	5.0	30	0.56	5.0	0.00	0.0

50. The maturity profile of the Council's borrowing as at 31 March 2024 is also shown in a chart in **Annexe D**.

Ratio of financing costs to net revenue stream

51. This indicator identifies the trend in the cost of capital financing, showing the percentage of the Council's revenue budget that is committed for this purpose. Financing costs include:

- interest payable on borrowing and receivable on treasury investments
- penalties or any benefits receivable on early repayment of debt
- prudent revenue budget provision for repayment of capital expenditure paid for by borrowing and
- re-imbursement of borrowing costs from directorates in respect of Invest to Save/Earn schemes.

52. For the General Fund, net revenue stream is the amount to be met from non-specific WG grants and Council Tax, whilst for the HRA it is the amount to be met from rent payers.

Ratio of financing costs to Net Revenue Stream							
	2023/24 Original Estimate %	**2023/24** Actual %	**2024/25** Estimate %	**2025/26** Estimate %	**2026/27** Estimate %	**2027/28** Estimate %	**2028/29** Estimate %
General Fund – **Net** Capital Financing Budget	4.26	3.55	4.32	4.80	4.98	4.89	4.70
General Fund – **Gross** Capital Financing Budget	6.64	5.88	7.13	7.53	8.88	8.89	8.56
HRA	28.80	28.82	30.13	33.45	36.44	38.28	40.08

53. The actual lower ratio's for 2023/24 reflect the Capital Financing revenue budget underspend of £6.567 million. This was primarily due to delays in the timing of capital expenditure outflows, additional grants and the impact of increases in the Bank of England base rates to over 5%, resulting in higher interest income receivable on temporary cash balances (Investments) held throughout the course of the year. With borrowing rates currently elevated, it was recognised that any underspend is transitionary and accordingly, £4 million of the capital financing underspend was transferred to the Treasury Management earmarked revenue reserve as a mitigation for short term treasury and capital risks across financial years.

54. Although there may be short term implications, invest to save/earn schemes are intended to be net neutral on the capital financing budget. However, there are risks that the level of income, savings or capital receipts anticipated from such schemes will be delayed or will not materialise. This would have a detrimental long-term consequence on the Revenue budget and requires careful monitoring when considering future levels of

additional borrowing.

55. An increasing percentage indicates that a greater proportion of the budget is required for capital financing costs which are committed in the long term. The requirement to meet these additional costs can only come from future savings or from increases in Council Tax. An increasing ratio limits the scope for additional borrowing in future years and reduces the Council's overall flexibility when making decisions on the allocation of its revenue resources. The percentages consider the impact on the base budget of the level of savings having to be found in 2024/25 and over the medium term as set out in the budget report for 2024/25. They are based on future assumptions in respect to Aggregate External Financing, council tax income and housing rents at a point in time, so are extremely variable as an indicator, but will be updated as part of the 2025/26 budget report.

Principal Invested for over 364 days

56. An upper limit for principal invested over 364 days was set at £90 million and this was not breached during the year, primarily due to the strategy adopted of minimising the period for which investments were made during 2023/24.

Resilience of the Treasury Management Function

57. The Treasury function performs a key role including ensuring that sufficient funds are available to meet the Council's financial commitments and is currently the payment mechanism of last resort for the Council. The CIPFA Treasury Management Code requires all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making. The Section 151 Officer and Head of Finance are responsible for ensuring that Treasury Management activities are resourced with relevant skills and experience, consistent with the complexity, size and risk of the activity undertaken. The requirements to meet high standards, accuracy and governance requirements are significant for a small specialist team.

58. Treasury Management activities continue to be the subject of regulatory change and economic uncertainty. Changes in the profile of the Council's projected balance sheet, including an expansive capital investment programme will increase the level of borrowing significantly and will place the emphasis on ensuring borrowing at the most appropriate structure and timing to reduce risk to the council. The treasury team will need to consider allocating resources towards short and long-term tactical borrowing decisions to manage the borrowing requirement and support minimisation of longer-term costs, whilst identifying and managing this risk in a proportionate way. This will require the use of external services, where appropriate to provide the tools and / or expertise to support the implementation of the borrowing strategy and the risk management framework. Recruitment activity to replace team members is in progress and some of the other issues and challenges outlined below continue to test skills and resilience, something that continues to be monitored closely by the S151 Officer.

Treasury Management issues for 2024/25 and future years

59. Whilst this report is primarily backward looking in relation to Treasury Activities for 2023/24, some key issues for 2024/25 are:

- Encouraging a greater focus on predicting cash flow forecasts and encouraging the prompt collection of cash balances e.g submitting and following up grant claims, accurate forecasts of reserves and capital expenditure projections.
- Managing reducing cash balances and maintaining liquidity by undertaking short term borrowing to manage the council's borrowing requirement in line with the 2024/25 strategy and interest rate forecasts. This will result in a significant increase in short term borrowing and refinancing risk, but with a view to refinancing loans when interest rates are lower based on existing interest rate forecasts which assume reductions.
- Updating the Treasury Management Strategy for the 2025/26 budget in line with any updates to the Capital Investment Programme forecasts and scheme delivery including the impact of borrowing requirements in respect to major regeneration and housing projects.

60. In accordance with the Council's Treasury Management Policy, Governance and Audit Committee and Full Council will receive a further update on Treasury Management issues as part of the 2024/25 Mid-Year Treasury Management report in November 2024.

Christopher Lee
Corporate Director Resources
3 September 2024

The following Annexes are attached:-
Annexe A – Treasury Management Policy and Four Clauses of Treasury Management
Annexe B – Investments at 31 March 2024 - Confidential
Annexe C – Investment charts at 31 March 2024 - Confidential
Annexe D – Maturity analysis of debt as at 31 March 2024
Annexe E – Glossary of Treasury Management terms