Public Report
Audit Committee

Committee Name and Date of Committee Meeting
Audit Committee – 26 November 2024

Report Title
Mid-Year Treasury Management and Prudential Indicators Monitoring Report – 2024/25

Is this a Key Decision and has it been included on the Forward Plan?
No

Strategic Director Approving Submission of the Report
Judith Badger, Strategic Director of Finance and Customer Services

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Ward(s) Affected
Borough-Wide

Report Summary

Mid-Year Treasury Review

The regulatory framework of treasury management requires that the Council produces a mid-year treasury review, in addition to the forward looking annual treasury strategy and backward looking annual treasury outturn report.

This report is the mid-year review for 2024/25. It also incorporates the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs).

It is also a requirement that any proposed changes to the 2024/25 prudential indicators are approved by Council.

The monitoring as set out in Appendix 1 to the report is structured to highlight the key changes to the Council's capital activity (the PIs) and the actual and proposed treasury management activity (borrowing and investment).

The key messages for Members are:

a. Investments - the primary governing principle remains security over return and the criteria for selecting counterparties continues to reflect this.

b. Borrowing – The Council will maintain its strategy of being under-borrowed against the capital financing requirement. The Council borrowed £227m of long term PWLB funds during 2021/22 to take advantage of the low PWLB interest rates available at the time (average 1.53% interest rate). This was replacing short term borrowing as it matured. The proceeds from this borrowing have now been fully utilised refinancing maturing borrowing and financing the capital programme. As a result, it has been necessary for the Council to enter into borrowing at the higher interest rate environment of recent years.

   The current strategy is to delay all new borrowing as late as possible and to only enter into short term borrowing in order to minimise the interest cost to the Council. There is a discounted rate with the PWLB for borrowing long term funds specifically for HRA purposes which is available until March 2026. The borrowing position will remain under review and an update of the strategy will be presented to Members within the Budget and Council Tax 2025/26 report to Council in March 2025.

c. Governance - strategies and monitoring are reviewed by Audit Committee.

d. Whilst the Council's approach to Treasury Management in recent years, utilising short term borrowing in particular, has generated significant savings for the Council, essential to achieving balanced budgets, the future outlook is more challenging. With increased interest rates for borrowing, as a result of the increases in the Bank of England Base Rate, new borrowing will be much more expensive than the Council's borrowing entered into before 2022. It should be noted that it is expected that borrowing rates have now peaked and will reduce over the next couple of years, linked to the recent return of inflation back down to the Bank of England's target 2% level.

Recommendations

1. Audit Committee is asked to note the contents of the report.

List of Appendices Included

Appendix 1 – Mid-Year Treasury Management and Prudential Indicators Monitoring Report – 2024/25.

Background Papers

Budget and Council Tax Setting Report 2024/25 to Council on 28th February 2024, Including the Treasury Management Strategy 2024/25

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No.

Council Approval Required

No

Exempt from the Press and Public

No.

1.	**Background**
1.1	**Mid-Year Treasury Review** – The CIPFA Treasury Management Code of Practice includes a requirement that Members receive a mid-year treasury review, in addition to the forward looking annual treasury strategy and backward looking annual treasury report required previously.
1.2	This review as fully set out in Appendix 1 meets these requirements. It also incorporates the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs). The Treasury Management Strategy and PIs were previously reported to Cabinet on 12th February 2024 and approved by Council on 28th February 2024.
2.	**Key Issues**
2.1	Mid-Year Treasury Review – The review as set out in Appendix 1 provides Members with details of mid-year performance against the plan.
2.2	a. Investments - the primary governing principle remains security over return and the criteria for selecting counterparties continues to reflect this. b. Borrowing – The Council will maintain its strategy of being under-borrowed against the capital financing requirement. The Council borrowed £227m of long term PWLB funds during 2021/22 to take advantage of the low PWLB interest rates available at the time (average 1.53% interest rate). This was replacing short term borrowing as it matured. The proceeds from this borrowing have now been fully utilised refinancing maturing borrowing and financing the capital programme. As a result, it has been necessary for the Council to enter into borrowing at the higher interest rate environment of recent years. The current strategy is to delay all new borrowing as late as possible and to only enter into short term borrowing in order to minimise the interest cost to the Council. There is a discounted rate with the PWLB for borrowing long term funds specifically for HRA purposes which is available until March 2026. The borrowing position will remain under review and an update of the strategy will be presented to Members within the Budget and Council Tax 2025/26 report to Council in March 2025. c. Governance - strategies and monitoring are reviewed by Audit Committee.
3.	**Options considered and recommended proposal**
3.1	Mid-Year Treasury Review – The review as set out in Appendix 1 indicates performance is in line with the plan and no proposals to vary the approach for the remainder of the year are proposed.
4.	**Consultation on proposal**
4.1	The continuing approach to treasury management has been discussed with the Council's external Treasury Management Advisers, Link Asset Services, who

	have confirmed this is a prudent approach given current market conditions. Link Asset Services will continue to monitor borrowing rates and inform the Council if there are opportunities to borrow at advantageous rates.
5.	**Timetable and Accountability for Implementing this Decision**
5.1	The report is for Audit Committee information and noting.
6.	**Financial and Procurement Advice and Implications**
6.1	Treasury Management forms an integral part of the Council's overall financial arrangements. For the financial year 2024/25 the Treasury Management budgets are estimated to provide an underspend that will help support the Council's overall budget pressures, through the income generated through the investment strategy.
6.2	The assumptions supporting the capital financing budget for 2024/25 and for future years covered by the Council's MTFS were reviewed in light of economic and financial conditions and the capital programme.
6.3	The current strategy is to maintain the Council's position of being under-borrowed against the Capital Financing Requirement. The Council is forecast to require additional borrowing before the end of the 2024/25 financial year. This borrowing will be taken on a short-term basis to avoid exposure to currently high interest rates in anticipation of lower rates in future years. There is a possibility of taking some long term borrowing from the PWLB at the discounted HRA rate. A further update will be provided as part of the Council's Treasury Management Strategy for 2025/26.
6.4	There are no direct procurement implications arising from this report.
7.	**Legal Advice and Implications**
7.1	It is a requirement that changes to the Council's prudential indicators are approved by Council
8.	**Human Resources Advice and Implications**
8.1	There are no Human Resource implications arising from the report.
9.	**Implications for Children and Young People and Vulnerable Adults**
9.1	The report does not impact the Children's and Adult Social care budgets.
10.	**Equalities and Human Rights Advice and Implications**
10.1	There are no implications arising from this report to Equalities and Human Rights.
11.	**Implications for CO2 Emissions and Climate Change**
11.1	No direct implications.

12.	**Implications for Partners**
12.1	There are no implications arising from this report to Partners or other directorates.
13.	**Risks and Mitigation**
13.1	Regular monitoring of treasury activity ensures that risks and uncertainties are addressed at an early stage and hence kept to a minimum.
14.	**Accountable Officers**
	Rob Mahon, Assistant Director Financial Services
	Natalia Govorukhina, Head of Corporate Finance

Report Author: *Tom Soulby, Principal Finance Officer (Treasury)*

This report is published on the Council's website.

Appendix 1

Mid-Year Prudential Indicators and Treasury Management Monitoring

1. Introduction and Background

1.1 The CIPFA Treasury Management Code of Practice includes a requirement that the Council receive a mid-year treasury review, in addition to the forward looking annual treasury strategy and backward looking annual treasury report required previously.

1.2 This report meets that requirement. It also incorporates the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs). The Treasury Management Strategy and PIs for 2024/25 were previously reported to Cabinet on 12th February 2024 and approved by Council on 28th February 2024.

1.3 The Council's revised capital expenditure plans and the impact of these revised plans on its financing are set out below in Sections 2.2 and 2.3 respectively. The Council's capital spending plans provide a framework for the subsequent treasury management activity. Section 3 onwards sets out the impact of the revised plans on the Council's treasury management indicators.

1.4 The underlying purpose of the report supports the objective in the CIPFA Code of Practice on Treasury Management and the Communities & Local Government Investment Guidance. This states that Members receive and adequately scrutinise information on the treasury management service.

1.5 The underlying economic and financial environment remains difficult for the Council, on investment the main challenge relates to concerns over investment counterparty risk. This background encourages the Council to continue maintaining investments short term and with low risk counterparties. The Bank of England base rate has dropped from 5.25% to 5% during the first half of 2024/25 as was cut to 4.75% on 7th November 2024.

1.6 The Council's use of long term PWLB borrowing during 2021/22 (£227m) resulted in the level of short term borrowing gradually falling as short term borrowing matured. The proceeds of this borrowing have since been fully utilised and further financing has been required. With interest rates expected to be cut in the coming months the Council has delayed as much borrowing as possible and has only committed to short term borrowing.

1.7 Gilt yields and PWLB certainty rates were less volatile than at this time last year. During 2024/25 to date the rates have seen highs of 5.40% for a 50 year PWLB loan and lows of 4.98% with the 50 year rate currently standing at 5.13%. These are slightly lower than last year and represent increasing expectation that interest rates have peaked and will be cut in the years ahead. This further emphasises the positive deals that the Council took during 2021/22, with the £227m being borrowed at an average of 1.53%. Short term borrowing rates have also reduced slightly with 6 month borrowing rates standing at around 5%, compared with 5.6% in September 2023. The Council keeps interest rates under constant review within its borrowing strategies and decisions on the mix of long-term and short-term borrowing.

1.8 The Strategic Director Finance & Customer Services can report that the basis of the Treasury Management Strategy, the Investment Strategy and the PIs have not changed from that set out in the approved Treasury Management Strategy (Council February 2024).

2. Key Prudential Indicators

2.1. This part of the report is structured to update:

- The Council's latest capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the PIs and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

2.2 Capital Expenditure (PI)

2.2.1 This table shows the current forecast estimates for capital expenditure. This position reflects slippage on the capital programme and new scheme approvals during the year.

Capital Expenditure by Service	2024/25 Original Estimate £m	2024/25 Revised Estimate £m
Children and Young People's Services	9.955	12.615
Assistant Chief Executive	0.210	0.341
Adult Care & Housing	20.893	11.205
Finance and Customer Services	5.143	22.713
Regeneration and Environment	143.472	99.054
Total Non-HRA	**179.674**	**145.929**
Adult Care & Housing – HRA	65.601	56.123
Total HRA	**65.601**	**56.123**
Total	**245.275**	**202.052**

2.3 Impact of Capital Expenditure Plans

2.3.1 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the expected financing arrangements of this capital expenditure.

Capital Expenditure	2024/25 Original Estimate £m	2024/25 Revised Estimate £m
Total spend	245.275	202.052
Financed by:		
Capital receipts	8.430	14.555
Capital grants, capital contributions & other sources of capital funding	130.471	111.027
Borrowing Need	106.374	76.470
Total Financing	**245.275**	**202.052**
Unsupported Borrowing	106.374	76.470
Borrowing Need	**106.374**	**76.470**

The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision (MRP). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

2.3.2 The reduction in borrowing need for 2024/25 (£29.904m) reflects the re-profiling of capital expenditure & financing.

2.3.3 **Changes to the Capital Financing Requirement (PI), External Debt and the Operational Boundary (PI)**

The table below shows the CFR, which is the underlying external need to borrow for a capital purpose. It also shows the expected debt position over the period. This expected debt position has previously been used as the basis for the Operational Boundary PI. This was set at the beginning of the financial year at £937.078m. There may be periods where the actual position rises above the Operational Boundary, but this is acceptable practice. It is the Authorised Limit which the Council must not breach. It is not expected that the Operational Boundary will be breached. The council will continue to use a combination of long and short term borrowing and remain under-borrowed.

2.3.4 In addition to showing the underlying need to borrow, the Council's CFR includes other long term liabilities which have been brought on balance sheet, for example, PFI schemes and finance lease assets. No borrowing is actually required against these schemes as a borrowing facility is already included in the contract and there has been no change in the borrowing need resulting from these requirements.

2.3.5 The current CFR estimate for 2024/25 is £992.891m and this figure represents an increase of £65.449 when compared to the 2023/24 year-end position of £927.442. The increase is predominantly due to reflecting the Councils approved Capital Programme within the revised CFR estimate, a further adjustment is made to reflect the repayments of borrowing within PFI schemes. These two adjustments are detailed below;

- The estimated borrowing need for the year £76.470m net of the Minimum Revenue Provision charge for the year (£7.406m).
- The repayments of borrowing contained within PFI and similar schemes (£3.615m).

Prudential Indicator – Capital Financing Requirement	**2024/25 Original Estimate £m**	**2024/25 Revised Estimate £m**
CFR – Non Housing	598.812	569.080
CFR – Housing	324.575	314.622
Total CFR excluding PFI, finance leases and similar arrangements	**923.387**	**883.702**
Net movement in CFR excluding PFI, finance leases and similar arrangements	**93.908**	**62.755**
Cumulative adjustment for PFI, finance leases and similar arrangements	109.189	109.189
Net movement in CFR	**-3.615**	**-3.615**
Total CFR including PFI, finance leases and similar arrangements	1,032.576	992.891
Net movement in overall CFR	**90.293**	**59.140**
Prudential Indicator – Operational Boundary	**Original Estimate**	**Current Position**
Borrowing	827.889	884.780
Other long term liabilities*	109.189	109.189
Total Debt 31 March	**937.078**	**993.968**

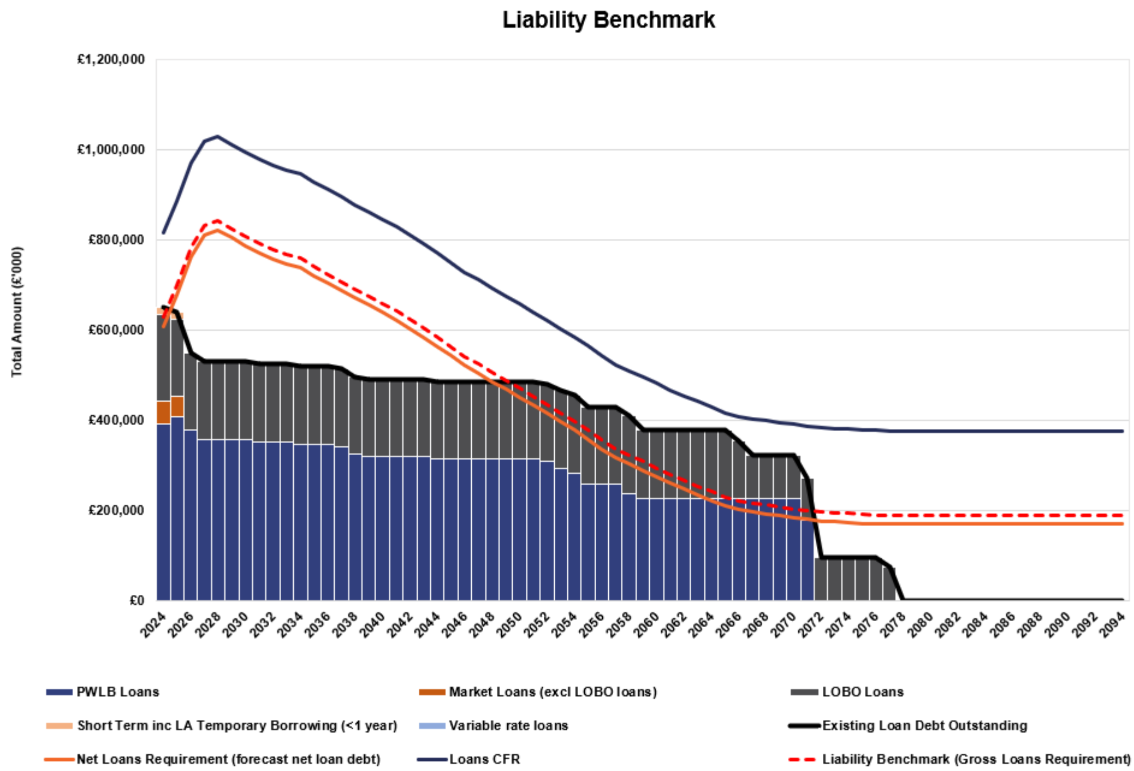
* Includes on balance sheet PFI schemes, finance leases and similar arrangements, etc.

2.3.6 **Liability Benchmark**

The Liability Benchmark (LB) was a new prudential indicator for 2023/24. The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. **Existing loan debt outstanding**: the Council's existing loans that are still outstanding in future years.
2. **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement**: this will show the authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



2.3.7 Any years where actual loans are less than the benchmark indicate a future borrowing requirement; any years where actual loans outstanding exceed the benchmark represent an overborrowed position, which will result in excess cash requiring investment.

2.3.8 The index shows that in the short to medium term the net loans requirement exceeds the existing debt so borrowing will be required to finance capital expenditure. In 2050 the level of loans exceeds the gross loan requirement which results in a cash balance to invest. This index is based on the current 3 year capital programme. In reality it is likely that further borrowing will be required to fund the capital programme beyond this 3 year time horizon and the actual loan requirement will be greater than shown on the index.

3. Limits to Borrowing Activity

3.1 The first key control over the treasury activity is a PI to ensure that over the medium term, gross and net borrowing will only be for a capital purpose. Gross and net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which would only be undertaken if this proves prudent to do so.

RMBC	**2024/25 Original Estimate £m**	**2024/25 Revised Estimate £m**
Gross Borrowing	797.889	854.780
Plus Other Long Term liabilities*	109.189	109.189
Total Gross Borrowing	**907.078**	**963.968**
CFR*	1,032.576	992.891
Total Gross Borrowing	907.078	963.968
Less Investments	20.000	41.113
Net Borrowing	**887.078**	**922.855**
CFR*	1,032.576	992.891

* Includes on balance sheet PFI schemes, finance leases and similar arrangements, etc.

3.2 The Strategic Director for Finance & Customer Services reports that no difficulties are envisaged for the current or future years in complying with this PI.

3.3 A further PI controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

	2024/25	**2024/25**

Authorised limit for external debt (RMBC)	Original Indicator £m	Revised Indicator £m
Borrowing	942.623	903.702
Other long term liabilities*	111.373	111.373
Total	**1,053.996**	**1,015.075**

* Includes on balance sheet PFI schemes, finance leases and similar arrangements, etc.

4. Treasury Strategy 2024/25

4.1 Debt Activity during 2024/25

4.1.1 The expected borrowing need is set out below:

RMBC	2024/25 Original Estimate £m	2024/25 Revised Estimate £m
CFR	1,032.576	992.891
Less Other Long Term Liabilities*	109.189	109.189
Net Adjusted CFR (y/e position)	**923.387**	**883.702**
Borrowed at 30/09/24	744.702	642.345
Invested at 30/09/24	-20.000	-41.113
Under borrowing at 30/09/24	**198.685**	**282.469**
Borrowed at 30/09/24	744.702	642.345
Estimated additional borrowing to be taken October to March 2025	0.000	60.000
Total Borrowing	**744.702**	**702.345**
Under borrowing at 31/03/25	178.685	181.356
Level of short term borrowing as 31/3/25		90.000

* Includes on balance sheet PFI schemes, finance leases and similar arrangements, etc.

4.1.2 The Council is currently significantly under-borrowed. The delay in borrowing long-term reduces the cost of carrying borrowed monies when yields on investments are low relative to the borrowing rates. Based on current borrowing rates and investment returns the differential is around 0.01% and if the Council was fully borrowed the benefit per year would amount to just £0.043m (Under borrowing and ST borrowing X 0.01%). The delay in taking out new long-term borrowing does give rise to an element of interest rate risk as longer term borrowing rates may rise. The Council borrowed £227m from the PWLB during 2021/22 to take advantage of low interest rates and mitigate some of this risk. Borrowing rates have risen significantly during recent years although it is likely they have now peaked, and rates are expected to fall over the medium term. This position is being closely monitored and the overall position carefully managed.

4.1.3 During the six months to 30 September 2024 the Council has taken out a total of £35m as detailed in the table below. This borrowing has been used to refinance maturing loans and to finance the capital programme. Current forecasts indicate an estimated £60m of additional borrowing will be required before the end of 2025/26. The Council will continue with its short term borrowing strategy.

Lender	Principal	Maturity	Interest Rate %
Local Authority	£15,000,000	May 2025	5.10
PWLB	£20,000,000	July 2026	4.77

4.1.4 During the six months to 30 September 2024, the Council has repaid principal on long term maturity and annuity loans from the PWLB, and loans from the Local Authority and commercial lending market. The principal repaid, and interest rates are detailed in the table below.

There are 5 Annuity loans on which variable amounts of principal are repaid each six months.

Lender	Principal	Type	Interest Rate %
PWLB (30 year loan)	£5,000,000	Fixed Rate (Maturity)	5.63
PWLB	£110,441.32	Fixed rate (Annuity)	Various
Local Authority	£10,000,000	Temp	5.05
Local Authority	£5,000,000	Temp	2.54
Local Authority	£5,000,000	Temp	0.48
Local Authority	£5,000,000	Temp	0.80
Local Authority	£5,000,000	Temp	0.55
Local Authority	£5,000,000	Temp	0.48

5. <u>Investment Strategy 2024/25</u>

5.1 Key Objectives

The primary objective of the Council's Investment Strategy is safeguarding the repayment of the principal and interest of its investments on time – the investment return being a secondary objective. The current difficult economic and financial climate has heightened the Council's over-riding risk consideration with regard to "Counterparty Risk". As a result of these underlying market concerns, officers continue to implement an operational investment strategy which maintains the tight controls already in place in the approved Investment Strategy.

5.1.1 To mitigate the risk of interest rates rising and to take advantage of low long term PWLB interest rates £227m of PWLB borrowing was taken in the 2021/22 financial year. This resulted in the Council having a larger cash balance than usual. This cash balance has reduced as temporary borrowing becomes due for repayment and has now been fully utilised.

5.1.2 The Council has been managing any cash surpluses into one of the following investment options, Debt Management Office (DMO currently at 4.94%), Bank Deposits (e.g. Goldman Sachs, currently 4.70%) and Other Local Authorities (currently 5.0%). The Council has continued to use Money Market Funds (MMF's), which currently have interest rates of between 4.92% and 4.98%. The process for using MMF's is very efficient and effective, with the added benefit that the funds the Council can access are all AAA rated. Investment rates have decreased slightly during 2024/25 due to the cut in the Bank of England base rate.

5.2 Current Investment Position

The Council held £41.113m of investments at 30 September 2024, and the constituent parts of the investment position are:

Sector	Country	Up to 1 year £m	1 - 2 years £m	2 – 3 years £m
Banks	UK	0.000	0	0
Local Authorities	UK	20.000	0	0
MMF's	UK	21.113	0	0
Total		**41.113**	**0**	**0**

5.3 Risk Benchmarking

A regulatory development is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are requirements to Member reporting and the following reports the current position against the benchmarks:

5.3.1 **Security** – The Council monitors its investments against historic levels of default by continually assessing these against the minimum criteria used in the Investment Strategy. The Council's approach to risk, the choice of counterparty criteria and length of investment ensures any risk of default is minimal when viewed against these historic default levels.

5.3.2 **Liquidity** – In respect of this area the Council set liquidity facilities/benchmarks to maintain:

- Bank overdraft – the council does not have an agreed overdraft facility with its banks. Short term finance can be obtained at a lower cost from the financial market.
- Liquid short-term deposits of at least £3m available within a week's notice.

The Strategic Director for Finance & Customer Services can report that liquidity arrangements were adequate during the year to date.

5.3.3 **Yield** – a local measure for investment yield benchmark is internal returns above the Overnight Sterling Overnight Index Average (SONIA).

The Strategic Director for Finance & Customer Services can report that the return to date averages 5.13%, against an average Overnight SONIA to the end of September 2024 of 5.12%. The average rate of return has increased significantly in 2024/25 as investments placed in previous years when interest rates were much lower have matured and been replaced with better performing investments.

Based on the Council's current average cash investments of £42m, the return achieved at the benchmark rate would be £7k lower than the actual return realised.

6. Revisions to the Investment Strategy

6.1 The counterparty criteria are continually under regular review but in the light of the current market conditions no recommendations are being put to Members to revise the Investment Strategy.

7. Treasury Management Prudential Indicators

7.1 Actual and estimates of the ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (financing costs net of interest and investment income) against the net revenue stream.

	2024/25 Original Indicator %	2024/25 Current Position %
Non-HRA	12.66	8.24
HRA	13.70	14.47

7.2 The current position reflects in-year changes to the capital programme and minor fluctuations in interest rates.

7.3 Prudential indicator limits based on debt net of investments

- **Upper Limits On Fixed Rate Exposure** – This indicator covers a maximum limit on fixed interest rates.

- **Upper Limits On Variable Rate Exposure** – Similar to the previous indicator this identifies a maximum limit for variable interest rates based upon the debt position net of investments.

RMBC	2024/25 Original Indicator	Current Position
Limits on fixed interest rates based on net debt	100%	82.88%
Limits on variable interest rates based on net debt	50%	17.12%

7.4 **Maturity Structures Of Borrowing**

These gross limits are set to reduce the Council's exposure to large fixed rate loans (those instruments which carry a fixed interest rate for the duration of the instrument) falling due for refinancing.

The current position shown below reflects the next call dates on the Council's LOBO loans. The actual maturity date for most of these loans is greater than 40 years. This approach gives a better indication of risk. Given the significant increase in interest rates some of these loans have rates below the prevailing lending rates. There is therefore an increased chance that a lender will increase the loan rate at which point the Council has the option to pay the higher rate or repay the loan.

RMBC	2024/25 Original Indicator		Current Position	
	Lower	Upper	%	£m
Under 12 months	0%	60%	2.34%	15.000
12 months to 2 years	0%	35%	14.79%	95.000
2 years to 5 years	0%	45%	0.00%	0.000
5 years to 10 years	0%	45%	1.56%	10.000
10 years to 20 years	0%	45%	5.76%	37.009
20 years to 30 years	0%	50%	6.31%	40.521
30 years to 40 years	0%	50%	10.25%	65.815

40 years to 50 years	0%	55%	44.21%	284.000
50 years and above	0%	60%	14.79%	95.000

7.5 **Total Principal Funds Invested**

These limits are set to reduce the need for the early sale of an investment, and show limits to be placed on investments with final maturities beyond each year-end.

The Council currently has no sums invested for periods exceeding 364 days due to market conditions. To allow for any changes in those conditions the indicator has been left unchanged.

RMBC	2024/25 Original Indicator £m	Current Position £m
Maximum principal sums invested > 364 days	10	0
Cash deposits	10	0

7.6 **Treasury Management Advisers**

Treasury Management advice continues to be provided by Link Asset Services Treasury Solutions (LAS). They were appointed for a three year term in January 2022 following a procurement exercise.