

Committee Name and Date of Committee Meeting

Audit Committee – 25 November 2025

Report Title

Mid-Year Treasury Management and Prudential Indicators Monitoring Report – 2025/26

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

Report Author(s)

Tom Soulby
01709 822334 or tom.soulby@rotherham.gov.uk

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 2025/26. 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 2025/26 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 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 2026/27 report to Council in March 2026.

- c. Governance - strategies and monitoring are reviewed by Audit Committee.
- d. 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, but the future outlook remains challenging. The Bank of England has started to cut Base Rate and the cost of short term borrowing has reduced as a result, with further reductions expected in the near future. The costs for longer term borrowing however remain high reflecting the yield on UK gilts.

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 – 2025/26.

Background Papers

Budget and Council Tax Setting Report 2025/26 to Council on 5th March 2025, including the Treasury Management Strategy 2025/26

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 10th February 2025 and approved by Council on 5th March 2025.

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 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 2026/27 report to Council in March 2026.
 - c. Governance - strategies and monitoring are reviewed by Audit Committee.
 - d. 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, but the future outlook remains challenging. The Bank of England has started to cut Base Rate and the cost of short term borrowing has reduced as a result, with further reductions expected in the near future. The costs for longer term borrowing however remain high reflecting the yield on UK gilts.

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, MUFG, who have confirmed this is a prudent approach given current market conditions. MUFG 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 2025/26 the Treasury Management budget built in a saving of £3m and is currently forecasting to provide an additional £3.4m of savings that will help support the Council's overall budget pressures, through income generated through the investment strategy.
- 6.2 The assumptions supporting the capital financing budget for 2025/26 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 2025/26 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 2026/27.
- 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

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 2025/26 were previously reported to Cabinet on 10th February 2025 and approved by Council on 5th March 2025.
- 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 4.5% to 4% during the first half of 2025/26.
- 1.6 The Council has had to undertake borrowing in the year to date to finance its capital programme. 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 have remained relatively volatile throughout the six months under review, but the general trend has been for medium and longer dated borrowing rates to shift higher whilst 5-year borrowing finished September close to where it begun in April. During 2025/26 to date the rates have seen highs of 6.12% for a 50 year PWLB loan and lows of 5.45% with the 50 year rate currently standing at 5.97%. These are higher than last year. Meanwhile, short term borrowing rates have reduced slightly with 6 month borrowing rates standing at around 4.5%, compared with 5% in September 2024. 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 March 2025).

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 | 2025/26 Original Estimate £m | 2025/26 Revised Estimate £m |
|---------------------------------------|---|--|
| Children and Young People's Services | 22.011 | 14.440 |
| Assistant Chief Executive | 0.210 | 0.486 |
| Adult Care & Housing | 12.923 | 11.727 |
| Finance and Customer Services | 17.822 | 14.603 |
| Regeneration and Environment | 116.084 | 100.268 |
| Total Non-HRA | 169.050 | 141.524 |
| Adult Care & Housing – HRA | 72.943 | 72.670 |
| Total HRA | 72.943 | 72.670 |
| Total | 241.993 | 214.194 |

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 | 2025/26 Original Estimate £m | 2025/26 Revised Estimate £m |
|--|---|--|
| Total spend | 241.993 | 214.194 |
| Financed by: | | |
| Capital receipts | 4.469 | 3.521 |
| Capital grants, capital contributions & other sources of capital funding | 141.196 | 119.378 |
| Borrowing Need | 96.328 | 91.295 |
| Total Financing | 241.993 | 214.194 |

2.3.2 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.

2.3.3 The reduction in borrowing need for 2025/26 (£5.033m) reflects the re-profiling of capital expenditure & financing. As such this is just delayed capital borrowing not a reduced requirement overall.

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

2.3.5 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 £1,142.163m. 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.

2.3.6 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 Right of Use 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.

2.3.7 The current CFR estimate for 2025/26 is £1,060.282m and this figure represents an increase of £77.728m when compared to the 2024/25 year-end position of £982.553m. 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 £91.295m net of the Minimum Revenue Provision charge for the year (£9.073m).
- The repayments of borrowing contained within PFI and similar schemes (£4.494m).

| Prudential Indicator – Capital Financing Requirement | 2025/26 Original Estimate £m | 2025/26 Revised Estimate £m |
|---|---|--|
| CFR – Non Housing | 624.246 | 590.308 |
| CFR – Housing | 332.535 | 335.498 |
| Total CFR excluding PFI, finance leases and similar arrangements | 956.781 | 925.806 |
| | | |
| Net movement in CFR excluding PFI, finance leases and similar arrangements | 85.216 | 75.478 |
| | | |
| Cumulative adjustment for PFI, finance leases and similar arrangements | 104.838 | 134.476 |
| Net movement in CFR | -4.351 | -4.494 |
| | | |
| Total CFR including PFI, finance leases and similar arrangements | 1,061.619 | 1,060.282 |
| Net movement in overall CFR | 80.865 | 70.984 |
| | | |
| Prudential Indicator – Operational Boundary | Original Estimate | Current Position |
| Borrowing | 1,007.325 | 976.062 |
| Other long term liabilities* | 134.838 | 134.476 |
| Total Operational Boundary 31 March | 1,142.163 | 1,110.538 |

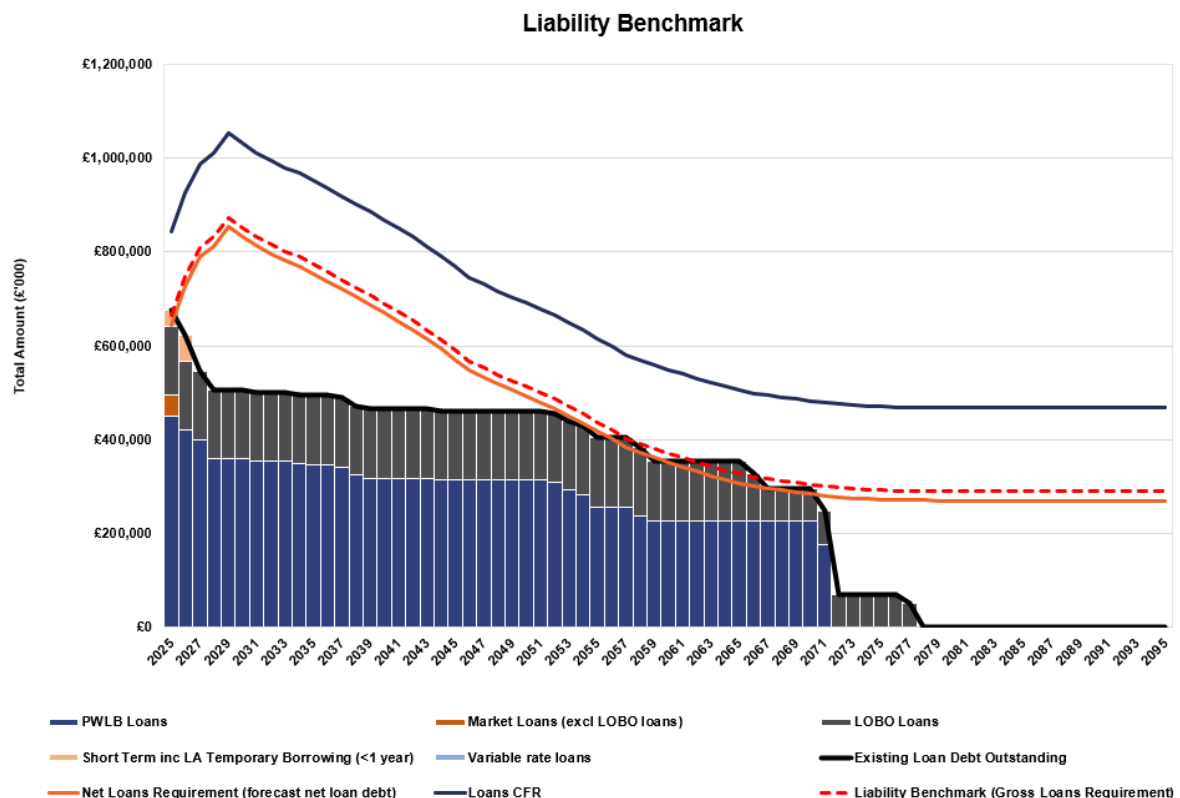
* Includes on balance sheet PFI schemes, finance leases and similar arrangements, etc.

2.3.8 Liability Benchmark

2.3.9 The Council is required to estimate and measure the Liability Benchmark (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.



2.3.10 Any years where actual loans are less than the benchmark indicates 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.

2.3.11 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 2057 the level of loans exceeds the gross loan requirement which results in a cash balance to invest. This index is based on the current capital programme. In reality, it is likely that further borrowing will be required to fund the capital programme beyond this 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

2025/26 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 | 2025/26 | 2025/26 |
|--|--------------------------|-------------------------|
| | Original Estimate | Revised Estimate |
| | £m | £m |
| Gross Borrowing Requirement | 977.325 | 946.062 |
| Plus Other Long Term liabilities* | 134.838 | 134.475 |
| Total Gross Borrowing Requirement | 1,112.163 | 1,080.537 |
| CFR* | 1,061.619 | 1,060.282 |
| | | |
| Total Gross Borrowing Requirement | 1,112.163 | 1,080.537 |
| Less Investments | 20.000 | 20.000 |
| Net Borrowing Requirement | 1,092.163 | 1,060.537 |
| CFR* | 1,061.619 | 1,060.282 |

* 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.

| Authorised limit for external debt (RMBC) | 2025/26 | 2025/26 |
|--|---------------------------|--------------------------|
| | Original Indicator | Revised Indicator |
| | £m | £m |
| Borrowing | 976.781 | 986.062 |
| Other long term liabilities* | 136.935 | 136.935 |
| Total | 1,113.716 | 1,122.997 |

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

4. Treasury Strategy 2025/26

4.1 Debt Activity during 2025/26

4.1.1 The expected borrowing need is set out below:

| RMBC | 2025/26 Original Estimate £m | 2025/26 Revised Estimate £m |
|--|--|---|
| CFR | 1,061.619 | 1060.282 |
| Less Other Long Term Liabilities* | 104.838 | 104.838 |
| Net Adjusted CFR (y/e position) | 956.781 | 955.444 |
| Borrowed at 30/09/25 | 929.161 | 699.118 |
| Invested at 30/09/25 | -20.000 | -69.400 |
| Under borrowing at 30/09/25 | 47.620 | 325.726 |
| Borrowed at 30/09/25 | 929.161 | 699.118 |
| Estimated additional borrowing to be taken October to March 2026 | 0.000 | 65.000 |
| Total Borrowing | 929.161 | 764.118 |
| Under borrowing at 31/03/26 | 27.620 | 191.326 |
| Level of short term borrowing as 31/3/26 | 0.000 | 125.000 |

* 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 1.58% and if the Council was fully borrowed the cost per year would amount to £5.008m (Under borrowing and ST borrowing X 1.58%). 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. 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 2025 the Council has taken out a total of £57m as detailed in the table below. This borrowing has been used to finance the capital programme. Current forecasts indicate an estimated £65m 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 | £30,000,000 | Apr-26 | 4.65 |
| Local Authority | £15,000,000 | Apr-26 | 4.15 |
| Local Authority | £5,000,000 | May-26 | 4.25 |
| Local Authority | £3,000,000 | Jul-26 | 4.25 |
| Local Authority | £4,000,000 | Sep-26 | 4.30 |

4.1.4 During the six months to 30 September 2025, the Council has repaid principal on annuity loans from the PWLB, and loans from the Local Authority 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 | £114,951 | Fixed rate (Annuity) | Various |
| Local Authority | £15,000,000 | Temp | 5.10 |
| Local Authority | £20,000,000 | Temp | 5.80 |

5. Investment Strategy 2025/26

5.1 Key Objectives

5.1.1 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.

5.1.2 The Council has been managing any cash surpluses into one of the following investment options, Debt Management Office (DMO currently at 3.95%), and Other Local Authorities (currently 4.02%). The Council has continued to use Money Market Funds (MMF's), which currently have interest rates of between 3.98% and 4.04%. 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 2025/26 due to the cut in the Bank of England base rate.

5.2 **Current Investment Position**

5.2.1 The Council held £69.4m of investments at 30 September 2025, 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 | 0.000 | 0 | 0 |
| MMF's | UK | 69.400 | 0 | 0 |
| Total | | 69.400 | 0 | 0 |

5.3 **Risk Benchmarking**

5.3.1 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:

5.3.2 **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.

5.3.3 **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.

5.3.4 **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 4.25%, against an average Overnight SONIA to the end of September 2025 of 4.19%. The average rate of return has decreased in 2025/26 as a result of recent cuts in the base rate by the Bank of England.

Based on the Council's current average cash investments of £45m, the return achieved at the benchmark rate would be £27k 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

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

| | 2025/26 Original Indicator % | 2025/26 Current Position % |
|---------|---|---|
| Non-HRA | 12.25 | 11.52 |
| HRA | 15.06 | 14.65 |

- 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 | 2025/26 Original Indicator | Current Position |
|---|---|-----------------------------|
| Limits on fixed interest rates based on net debt | 100% | 87.84% |
| Limits on variable interest rates based on net debt | 50% | 12.16% |

7.4 Maturity Structures Of Borrowing

- 7.4.1 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.

- 7.4.2 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 | 2025/26 Original Indicator | | Current Position | |
|----------------------|----------------------------------|-------|------------------|---------|
| | Lower | Upper | % | £m |
| Under 12 months | 0% | 60% | 29.61% | 207.000 |
| 12 months to 2 years | 0% | 35% | 5.72% | 40.000 |
| 2 years to 5 years | 0% | 45% | 4.29% | 30.000 |
| 5 years to 10 years | 0% | 45% | 1.43% | 10.000 |
| 10 years to 20 years | 0% | 45% | 5.26% | 36.782 |
| 20 years to 30 years | 0% | 50% | 8.06% | 56.336 |
| 30 years to 40 years | 0% | 50% | 4.29% | 30.000 |
| 40 years to 50 years | 0% | 55% | 35.62% | 249.000 |
| 50 years and above | 0% | 60% | 5.72% | 40.000 |

7.5 **Total Principal Funds Invested**

7.5.1 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.

7.5.2 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 | 2025/26 Original Indicator £m | Current Position £m |
|--|--|---------------------------|
| Maximum principal sums invested > 364 days | 10 | 0 |
| Cash deposits | 10 | 0 |

7.6 **Treasury Management Advisers**

7.6.1 Treasury Management advice continues to be provided by MUFG (formerly Link Asset Services Treasury Solutions). They were appointed for a three year term in January 2022 following a procurement exercise. The Council is currently in the process of re-procurement of these services.