Treasury Management and Investment Strategy 2024/25 & Prudential Indicators

Report by David Gladwin, Chief Financial Officer & Section 95 Officer

Report for Decision

1 Recommendations

The Audit Committee is invited to comment on this report before it is presented to Council. In particular, Audit Committee should note the following recommendations which are proposed to be put to Council on 27 February 2024:-

a) Approve the restriction of the Authorised Limit to the value of the Capital Financing Requirement at 31 March 2025 (£545.673 million), pending finalisation of the General Services Capital Plan Prioritisation;

b) Note that there are no other material changes proposed to the Treasury Management and Investment Strategy (TMIS) for 2024/25 from the strategy currently in place, other than to update the Prudential Indicators (Section 5 and Appendix 2), to reflect the revised capital plans;

c) Note the retention of the current approach for the repayment of loans fund advances as outlined in Section 6 and that any changes arising from the Scottish Government's consultation on the Amendment to the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 will be reflected in a revised TMIS if required; and

d) Accordingly approve the Treasury Management and Investment Strategy for 2024/25.

2 Purpose of Report/Executive Summary

In accordance with the Treasury Management Code of Practice, the annual Treasury Management & Investment Strategy (TMIS) & Prudential Indicators report is required to be adequately scrutinised before being recommended to the Council. For Midlothian, this role is undertaken by the Audit Committee, with this report being presented to Audit Committee on 29 January 2024 prior to consideration by Council on 27 February 2024.

The purpose of the report to Council will be to provide an update on the implementation of the Council's TMIS 2023/24, and to make recommendations to facilitate consideration of the 2024/25 Strategy, specifically the TMIS for 2024/25, the Prudential and Treasury indicators contained therein, and the approach to the statutory repayment of loans fund advances.

Any revisions arising from Audit Committee consideration of the report on 29 January 2024 will be incorporated into the final version of the report to Council on 27 February 2024.

Date: 18 January 2024
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3. Update on implementation of TMIS for 2023/24

3.1 Borrowing

The Council's borrowing position as set out in the 2023/24 Treasury Management Mid-Year Review Report was £321.754 million at 31 March 2023, and six months later was £321.314 million on 30 September 2023.

The principal source of borrowing is the UK Debt Management Office's Public Works Loans Board (PWLB) and fixed rate loans are taken at a time and tenure which takes cognisance of the PWLB rates (derived from the UK Gilts market) and the management of maturity risk in the long term across the Council's loan portfolio.

The Council's loan portfolio, as at 17 January 2024, is shown in table 1 below:-

Table 1: Current Loan Portfolio as at 17 January 2024

Loan Type	Principal Outstanding £000's	Weighted Average Rate
PWLB Annuity	452	8.91%
PWLB Maturity	284,128	2.90%
LOBO	20,000	4.51%
Market Loans	16,221	2.68%
Salix Loans	70	0.00%
Total Loans	**320,871**	**3.00%**

The repayment profile of this debt is shown in graphical and tabular form below:-

Figure 1: Loan Maturity Structure

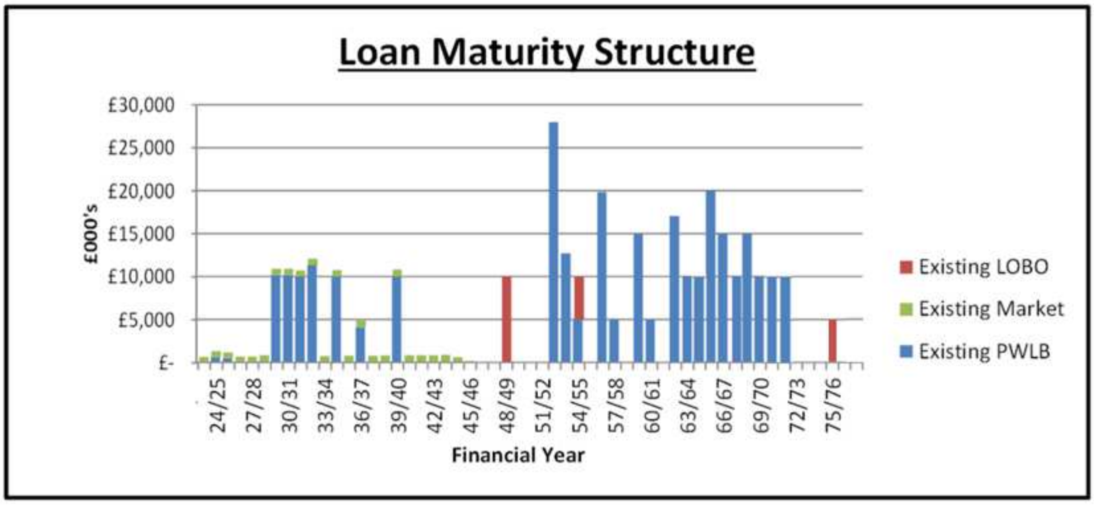


Table 2: Loan Maturity Profile

Financial Year	2023/24 Remaining £000's	2024/25-2025/26 £000's	2025/26-2027/28 £000's	2028/29-2032/33 £000's	2033/34-2037/38 £000's	2038/39+ £000's
Debt Maturing	0	1,426	2,795	45,136	32,239	239,275
% of total portfolio	0.00%	0.44%	0.87%	14.07%	10.05%	74.57%

As can be noted in the graph and table above, proactive Treasury Management by the Council in the last decade has placed the Council in an extremely strong refinancing position for its existing external debt portfolio, with only £4.221 million, or just 1.31%, of the Council's total Loan Portfolio of £320.871 million requiring refinancing over the current and forthcoming four financial years.

This extremely low short-term exposure to refinancing risk has put the Council in a strong position to plan its new borrowings in advance, take advantage of any dips in longer-term borrowing rates from PWLB (as demonstrated above) and other sources, and maintain a low weighted average coupon rate on external debt.

3.2 Deposits

The Council's position for funds on deposit fluctuates on a daily basis, with the 2023/24 Treasury Management Mid-Year Review Report setting out the position at 31 March 2023 of £113.982 million and six months later on 30 September 2023, at £111.344 million.

The position at 17 January 2024, as set out in Table 3 below, totals £72.416 million.

Table 3: Current Deposits as at 17 January 2024

Deposit Type	Principal Outstanding £000's	Weighted Average Rate
Bank Call Accounts	7,343	5.09%
Money Market Funds	35,073	5.32%
Bank Fixed Term Deposits	30,000	4.98%
Total Deposits	**72,416**	**5.15%**

The cash balances above represent the following:

- Funds held in Bank Fixed Term Deposits and Money Market Funds which are cash backing £65.073m of the Council's projected useable reserves (at 31 March 2024);
- A balance held in instant access bank accounts and Money Market Funds which are used for day to day liquidity to meet cashflow requirements;

The Council's current deposit portfolio is broadly reflective of the wider UK Local Authority position, as noted in the Treasury Management & Annual Investment Strategy Statement – 2024/25 Detailed in Appendix 3, Section 4.4.

4. Treasury Management & Investment Strategy 2024/25

4.1 Main Objectives of TMIS 2024/25

The objectives of the current and proposed TMIS are:-

- To secure long-term borrowing to fund capital investment, through locking in to long-term interest rates and de-risking the Council's Capital Financing Requirement (CFR);

- To ensure short-term liquidity to manage the Council's day-to-day cashflow. This is achieved through the utilisation of instant access Money Market Fund and Bank Accounts, with the amount held in these reflecting the Council's level of working capital and fluctuating throughout the year due to a number of factors;

- To cash back the Council's usable reserves.

No material changes are proposed to the current 2023/24 TMIS which was scrutinised by Audit Committee in January 2023 and approved by Council in February 2023, other than for the following:-

a) Approve the restriction of the Authorised Limit to the value of the Capital Financing Requirement at 31 March 2025 (£545.673 million), pending finalisation of the General Services Capital Plan Prioritisation;

Similarly no changes are recommended to the Permitted Investments.

More detail on the borrowing and investment strategy for 2024/25 is provided in Sections 4.2, 4.3 and 4.4 below.

4.2 Borrowing Requirement 2023/24 to 2027/28

The Council's capital plans contain projections of capital expenditure and income over the forthcoming financial years. Any expenditure not financed directly by income, requires funding through borrowing.

The projected borrowing requirement arising from the Council's Capital Plans, the Midlothian Energy Limited (MEL) Shareholder Injection, and the maturing long-term loans that require to be refinanced, over the period 2023/24 to 2027/28 is shown in table 4:-

Table 4: Total Borrowing Requirement over the period 2023/24 to 2027/28

	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	Total £000's
Capital Expenditure						
General Services	64,921	108,857	121,975	89,765	12,128	**397,645**
HRA	52,125	99,585	91,901	36,647	26,128	**306,386**
Total Capital Expenditure	**117,046**	**208,442**	**213,876**	**126,412**	**38,256**	**704,031**
Total Available Financing	-46,865	-64,914	-34,333	-19,432	-10,893	**-176,437**
Principal Debt Repayments	-9,206	-10,760	-11,670	-12,557	-14,195	**-58,388**
Capital Expenditure less available Financing	**60,974**	**132,767**	**167,873**	**94,423**	**13,168**	**469,206**
MEL Shareholder Injection	710	3,560	0	0	0	**4,270**
Maturing Long-term Loans	830	1,426	1,355	851	700	**5,162**
Total Borrowing Requirement	**62,514**	**137,753**	**169,228**	**95,274**	**13,868**	**478,638**

Note that the Capital Expenditure and Financing in the table above is based on the Council's existing Capital Plans which will be updated to reflect Quarter 3 Monitoring for 2023/24 and future year budget reprofiling, prior to submission of this report to the Council meeting of 27 February 2024.

4.3 Borrowing Strategy for remainder of 2023/24 and 2024/25

Borrowing is undertaken to finance the Council's approved Capital plans and to do so in the most cost-effective way. As can been noted from Table 4 above the Council has a significant borrowing requirement across the current and forthcoming four financial years (2023/24 to 2027/28).

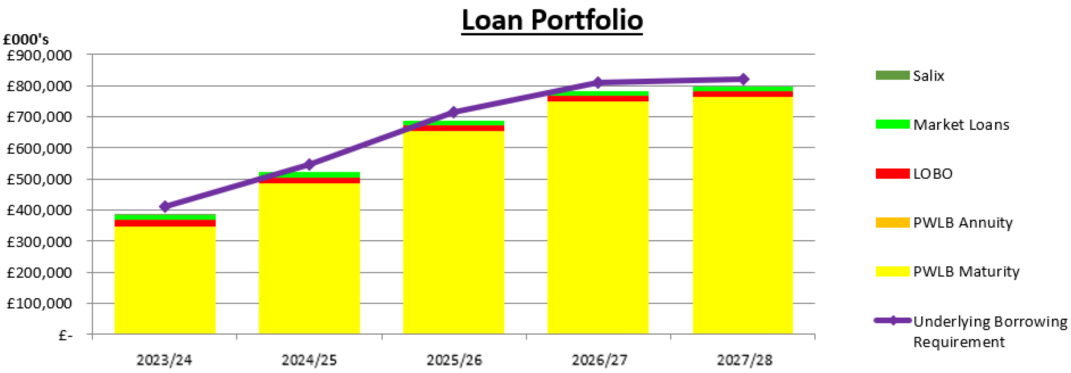
This TMIS provides for this capital investment to be underpinned by long-term borrowing, recognising the current interest rate environment, the significant borrowing requirement arising from the Council's capital plans, and the long term benefits of de risking the delivery and affordability of these capital plans by locking into the certainty brought by PWLB fixed rate loans.

The Council's **external loan debt** at 31 March 2024 is projected to be **£384.346 million**. Based on the Council's historic and current approved Capital Plans, the **Underlying Borrowing Requirement (UBR) –** which is the Council's underlying need to borrow for capital purposes (excluding the long-term liability arising from PFI/DBFM projects) – at 31 March 2024 is expected to equate to **£409.346 million**.

This means that the Council is expected to be **£25.000 million (6%) under-borrowed** at the end of the 2023/24 financial year i.e. the Council has funded the majority (94%) of its underlying borrowing requirement as at 31 March 2024. In the current economic climate, this is a prudent approach which balances (a) de-risking the longer term borrowing requirement at current longer term borrowing rates; against (b) the current year and forthcoming financial year budget projections. As noted in Section 3.1 above, the Council has an extremely low short-medium term exposure to refinancing risk and is therefore in a strong position to plan its new borrowing requirements in advance, taking advantage of any dips in longer-term borrowing rates from PWLB and other sources, and maintain a low weighted average coupon rate on external debt.

The **Underlying Borrowing Requirement** is projected to rise to **£821.137 million by 31 March 2028** – more than double the current Underlying Borrowing Requirement. The profile of this, and the projected external loan portfolio to fund the Underlying Borrowing Requirement over the period 2023/24 to 2027/28, is shown in graphical format below.

Figure 3: Loan Portfolio & Underlying Borrowing Requirement



Interest Rates

The current PWLB yield curve is bell shaped with the low point in the curve is at the 5 year mark (4.40%) with rates trending upwards towards the 20-30 year tenor (5.25%) before easing back slightly to sit at c. 5.10% in the 50 year duration. Current rates have generally eased off 30-40bps from levels reported at the time of the 2023/24 Treasury Management Mid-Year Review Report to Council, with no material change to the medium term forecast for rates.

The yield curve is expected to remain bell shaped over the short-medium term, with a gradual shift downwards of the entire curve by c. 40-60bps over the next 12 months and a further 40-50bps over the subsequent 12 months. This is forecast to bring longer-term borrowing rates down to between 4.10-4.60% by March 2025 and between 3.70%-4.20% by March 2026. Further commentary on this is provided in Appendix 3 Section 3.3.

Link Group Interest Rate View	08.01.24												
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.80	4.30	3.80	3.30	3.20	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.60	4.10	3.70	3.20	3.20	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

The funding of the Council's in-year and forward CFR is typically for infrastructure with long asset lives (50-60 years), and the tenor of PWLB and market loans are typically drawn with this in mind.

Borrowing Strategy

Consideration for any new borrowing in the remainder of the 2023/24 financial year and during the 2024/25 financial year, to fund the Council's in-year CFR, will seek to balance:-

a) the security/certainty of current relatively high longer-term borrowing rates of upwards of 5.25% in the 30-50 year duration (which are forecast to drop by 60bps within one year and 100bps within 24 months) and the potential additional budgetary pressure that this brings in both the short/medium and longer term; with

b) the option to borrow initially for a shorter-term duration from PWLB or other markets, for 3 to 5 years (at say c. 4.40%), to allow the Council to fund the immediate in-year borrowing requirement. Based on current interest rate forecasts (see Appendix 3 Section 3.3), this would then allow the Council the option to refinance this borrowing at initial 3-5 year maturity with less expensive, longer term borrowing, e.g. a 45 to 47 year tenor in, say, 36 months at a forecast rate of c. 3.90%.

As noted in Section 3.1, the Council's proactive Treasury Management over the last decade has put the Council in a strong refinancing position for its external debt portfolio which allows the Council to slot in shorter dated external borrowing into the current debt maturity profile to fund the current & forthcoming in-year borrowing requirements, to allow the Council to navigate past the current expected hump in longer-term borrowing rates.

It is expected that any further long-term borrowing that is undertaken during 2023/24 and 2024/25 to finance the current & future year capital plans will be sourced by drawing new PWLB loans at the Certainty Rate (which has been available to the Council since 2012 and is priced at Gilts+80bps), and/or the HRA rate. The HRA rate is available to all Councils to fund HRA capital expenditure, at a rate that is priced at Gilts+60bps. On 22 November 2023, the availability over which Councils can draw HRA rate borrowing from PWLB was extended to 30 June 2025.

Both the General Services and HRA capital programmes are being kept under regular review due to the effects of inflationary pressures, shortages of materials and labour, and the ratios of financing costs to the net revenue streams. The Council's borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, to achieve optimum value and risk exposure in the medium-long-term. The impact particularly of the General Services Capital Plan Prioritisation – which will be reported to Council in February 2024 – will have a significant bearing on this.

Appendix 3 Section 3.3 provides forecasts for interest rates from the Council's Treasury Management advisor, Link Treasury Solutions Limited. Council officers, in conjunction with Link, will continue to monitor daily long-term borrowing rates in order to take advantage of any dips in the market or to de-risk any change in the medium-longer term forecast for gilt yields.

Forward Borrowing
The opportunity also continues to exist to consider further loans on a 'forward dealing' basis, and officers will continue to explore the viability of these loans as part of securing the long term borrowing required to meet the Council's Underlying Borrowing Requirement.

Debt Rescheduling

As noted in the Mid-Year Review Report, now that the whole of the yield curve has shifted higher there may be opportunities for debt rescheduling in the remainder of the financial year.

This would involve the Council repaying loans prematurely (both market and PWLB) whilst high discount rates on premature repayment prevail.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling taking place would include:

- the generation of cash savings at minimum risk;
- to reduce the average interest rate;
- to amend the maturity profile and/or the balance of volatility of the debt portfolio.

Council officers will explore debt rescheduling opportunities with Link Treasury Solutions; with only prudent and affordable debt rescheduling that considers both the short and medium-longer term impact being considered.

4.4 Investment Strategy for remainder of 2023/24 and 2024/25

No changes are proposed to the Investment Strategy from that approved by Council in the 2023/24 TMIS.

Council should note that in parallel to securing its external borrowing to finance the capital financing requirement, the strategy means that Council should continue to cash back the Council's useable reserves. In doing so, the Council are able to continue to minimise the extent of under-borrowing and at the same time de-risk the Council's forward borrowing requirement; whilst also ensuring that all deposits are securely placed with high creditworthy counterparties, complying with the CIPFA Treasury Management Code principles of security, liquidity and then yield – in that order.

All deposits will be placed with high creditworthy counterparties in accordance with the approved creditworthiness policy as outlined in Appendix 1, with a tenor reflective of the expected drawdown of useable reserve forecasts, and at a yield commensurate with this.

The list of Permitted Investments in Appendix 1 also remains unchanged from that approved by Council in the 2023/24 TMIS.

As required by the CIPFA Treasury Management Code, Local authorities "must not borrow to invest for the primary purpose of financial return." Midlothian Council does not and has not borrowed to invest for the primary purpose of financial return.

Environmental, Social and Governance (ESG) in credit and counterparty policies (Treasury Management Practice 1)

As noted in the 2023/24 TMIS, the inclusion of ESG criteria continues to be an emerging area in the Local Authority environment which will require ongoing monitoring.

For the 2024/25 financial year, the Council's priorities of security, liquidity and then yield remain paramount and unchanged (and in that order), with ESG criteria an added 4th element to consider in the decision making process.

For short term investments with counterparties, this Council utilises the Link creditworthiness service which uses the ratings provided by Fitch, Moody's and Standard & Poor's to assess creditworthiness, which in themselves include analysis of ESG factors, and specifically the "G" element, when assigning ratings. Of the 3 elements of ESG, the most important element when considering treasury deposits is the Governance aspect – given the majority of treasury deposits undertaken by Midlothian Council are naturally short dated in duration, poor governance can have a more immediate impact on the financial circumstances of an entity and potential for a default event that could impact the amount of principal returned on the deposit.

Those financial institutions viewed as having poor/weak corporate governance are generally less well credit rated in the first instance or have a higher propensity for being subject to negative rating action, and the Council's existing creditworthiness policy will therefore take this into account.

Environment and Social factors are also important, but relate more to the long-term impact. Council should note that in relation to the security aspect of Treasury deposits, placing an undue weight on the Environmental and Social factors in the decision making process could have an adverse effect of limiting the list of potential counterparty options, thus decreasing diversification. This could then in turn lead to a widening of credit (security) criteria, or those with a stronger "ESG" performance, in order to restore a balance of diversification across the deposit portfolio, potentially increasing credit risk – and placing the cornerstone of prudent investing at risk.

The inclusion of ESG criteria therefore remains an area which requires ongoing review. Council officers, in conjunction with the Council's treasury advisers Link, will therefore continue to monitor and assess ongoing developments and emerging standards in this area, and methods in which the Council can incorporate ESG factors into our creditworthiness assessment process, and report back to Council accordingly.

5 Prudential Indicators – Midlothian Council

The Prudential Code for Capital Finance in Local Authorities requires that Councils can demonstrate that their Capital Plans are affordable, prudent and sustainable, taking into account the financial provisions made in current and future revenue budgets; and that Treasury Management decisions are taken in accordance with good practice.

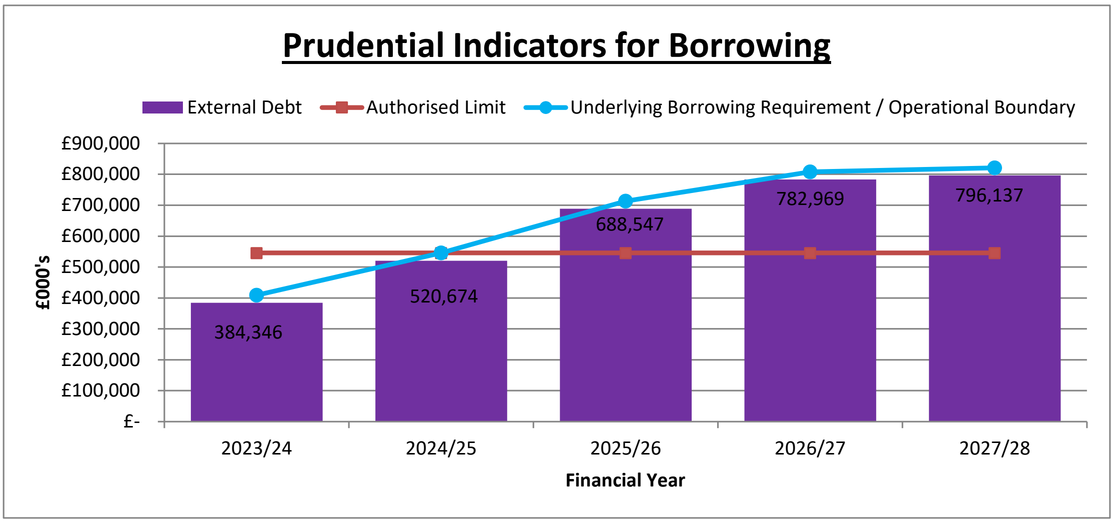
The Prudential Indicators that Councils need to consider relate to both actual, historic outcomes, and future estimated outcomes (covering the same period as the Council's Capital Plans), as follows:-

- Actual outcomes for 2022/23;
- Revised estimates of the 2023/24 indicators; and
- Estimates of indicators for 2024/25 to 2027/28.

The Prudential Indicators required by the Code are listed individually in Appendix 2.

The key Prudential Indicators relating to the Underlying Borrowing Requirement, the expected Gross External Debt, and the proposed Authorised Limit, are shown in graphical format below.

Figure 4: Prudential Indicators for Borrowing



The Capital Financing Requirement (CFR) denotes the Council's underlying need to borrow for capital purposes. The CFR includes borrowing arising as a result of the Council's Capital Plans, plus the long-term liability arising from the Council's PPP/DBFM contracts. The **Underlying Borrowing Requirement** as shown in Figure 4 above strips out the latter of these (long-term liability arising from the Council's PPP/DBFM contracts) from the CFR.

The **Authorised Limit for Borrowing** 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.

The Authorised Limit for Borrowing for the 2024/25 financial year has been calculated to equate to the maximum value of the Underlying Borrowing Requirement in 2024/25. This equates to £545.673 million as outlined in Table 5 below.

Table 5: Authorised Limit for Borrowing: Calculation

Authorised Limit for Borrowing	**Amount £000's**
CFR – General Services (31 March 2025)	228,109
CFR – HRA (31 March 2025)	317,564
Proposed Authorised Limit for Borrowing	**545,673**

Council is therefore asked to approve an authorised limit for borrowing of £545.673 million.

6 Statutory repayment of loans fund advances

Under the Local Government Finance Circular 7/2016, Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of each financial year. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.

The TMIS retains the methodology adopted in 2023/24 – that is as follows:-

6.1 New Assets

In accordance with Finance Circular 7/2016, for all advances made in relation to the provision of a new asset, the policy will be to defer the commencement of the first principal repayment of the loans fund advance until the financial year following the one in which the asset is first available for use.

6.2 Prudent Repayment of Loans Fund Advances

Finance Circular 7/2016 provides a variety of options to Councils for the profiling of the repayment of each loans fund advance, so long as the principle of prudence is maintained. There are 4 options available: (a) Asset Life method; (b) Statutory method; (c) Depreciation method; and (d) Funding/income profile method.

In line with the policy adopted in 2023/24, the Asset Life method shall be used for those assets in Table 6.

Table 6: Asset Classes to adopt the "Asset Life" method

Infrastructure	**Current Loans Fund Advance Period**
New Primary Schools/Extensions	60
New Leisure Centres	60
New Offices	60
Road Upgrades	50
Street Lighting Columns	50
Structures/Bridges	50
Footway/Cyclepaths	50
Town Centre Environmental Improvements	50
New Care Homes	45
Children's Play Equipment	20

** Average loans fund advance length*

The annual repayments under the "Asset Life" method for those asset classes as noted above will be calculated using the asset lives and will use the annuity method, to ensure consistency of approach with the Statutory method for all other asset classes (see below). The annuity interest rate that will be used to calculate loans fund principal repayments under the “Asset Life” method will be the in-year loans fund rate, which for 2023/24 is currently estimated to be 2.29%.

For all other asset classes, the policy will be to maintain the practice of previous years and apply what is termed “the Statutory Method” – following the principles of Schedule 3 of the Local Government (Scotland) Act 1975 – with all loans fund advances being repaid by the annuity method. The annuity rate that is proposed to be applied to the loans fund repayments varies and will be the in-year loans fund rate, reflecting the Council’s current loan and investment portfolio. The loans fund rate for 2023/24 is forecast to be 2.29%

Whilst neither the Depreciation nor the Funding/income profile methods are currently proposed, Council officers will continue to monitor whether it is appropriate to use this for future capital projects.

6.3 Scottish Government Consultation

The Scottish Government issued a formal consultation on 28 November 2023 on the Amendment to the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016. This consultation outlined proposed changes to the methodology for the repayment of loans fund advances. The consultation closed on 22 December 2023 with Midlothian Council, the Scottish Local Authority Directors of Finance Group, and Link Treasury Solutions Limited amongst those submitting formal responses to the consultation. The outcome of any changes to these Regulations will be reflected in a revised 2024/25 TMIS if required.

7. Report Implications

7.1 Resource

There are no direct resource implications arising from this report.

7.2 Digital

None

7.3 Risk

The strategies outlined in this report are designed to maintain the effectiveness of the overall risk management arrangements for Treasury activity. Providing the limits outlined in the strategies are observed they will support the controls already in place in the Treasury Management Practices within which the treasury function operates.

The Prudential Indicators contained in Appendix 2 maintain the effectiveness of the overall risk management of Capital Investment and Treasury Management.

7.4 Ensuring Equalities

There are no equality issues arising from this report.

7.5 Additional Report Implications

See Appendix A.

Appendix A: Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Not applicable.

A.2 Key Drivers for Change

A.3 Key Delivery Streams

Themes addressed in this report:

☐ One Council Working with you, for you
☒ Preventative and Sustainable
☐ Efficient and Modern
☐ Innovative and Ambitious
☐ None of the above

A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value.

A.5 Involving Communities and Other Stakeholders

Although no external consultation has taken place, cognisance has been taken of professional advice obtained from Link Asset Services, the Council's appointed Treasury Consultants.

A.6 Impact on Performance and Outcomes

The strategies to be adopted are an integral part of the corporate aim to achieve Best Value as they seek to minimise the cost of borrowing by exercising prudent debt management and investment. This in turn helps to ensure that the Council's capital expenditure is sustainable in revenue terms.

A.7 Adopting a Preventative Approach

Not applicable.

A.8 Supporting Sustainable Development

Not applicable.

Background Papers:-

Appendix 1:- Permitted Investments
Appendix 2:- Prudential Indicators
Appendix 3:- Treasury Management & Annual Investment Strategy Statement – 2024/25 Detailed