Midlothian

Audit Committee
Monday 24 February 2025
Item No 5.3

Treasury Management and Investment Strategy 2025/26 & 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 25 February 2025:-

a) Approve the restriction of the Authorised Limit to the value of the Capital Financing Requirement at 31 March 2026 (£604.957 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 2025/26 from the strategy currently in place, other than:-

   i. to no longer fully cash back the Council's useable reserves – instead, to run down cash balances to support the deferral of borrowing as outlined in Section 4, to allow the Council to navigate past the current interest rate hump; and
   ii. to update the Prudential Indicators (Section 5 and Appendix 2), to reflect the revised capital plans;

c) Note the use of the Asset Life method for the repayment of all loans fund advances as outlined in Section 6; and

d) Accordingly approve the Treasury Management and Investment Strategy for 2025/26.

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 24 February 2025 prior to consideration by Council on 25 February 2025.

The purpose of the report to Council will be to provide an update on the implementation of the Council's TMIS 2024/25, and to make recommendations to facilitate consideration of the 2025/26 Strategy, specifically the TMIS for 2025/26, 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 24 February 2025 will be verbally updated to Council before discussing the report on 25 February 2025.

Date: 07 February 2025
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3. Update on implementation of TMIS for 2024/25

3.1 Borrowing

The Council's borrowing position as set out in the 2024/25 Treasury Management Mid-Year Review Report was £340.871 million at 31 March 2024, and six months later was £359.812 million on 30 September 2024.

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 24 January 2025, is shown in table 1 below:-

Table 1: Current Loan Portfolio as at 24 January 2025

Loan Type	Principal Outstanding £000's	Weighted Average Rate
PWLB Annuity	395	8.91%
PWLB Maturity	343,502	3.15%
LOBO	20,000	4.51%
Market Loans	15,548	2.68%
Total Loans	**379,445**	**3.21%**

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

Figure 1: Loan Maturity Structure

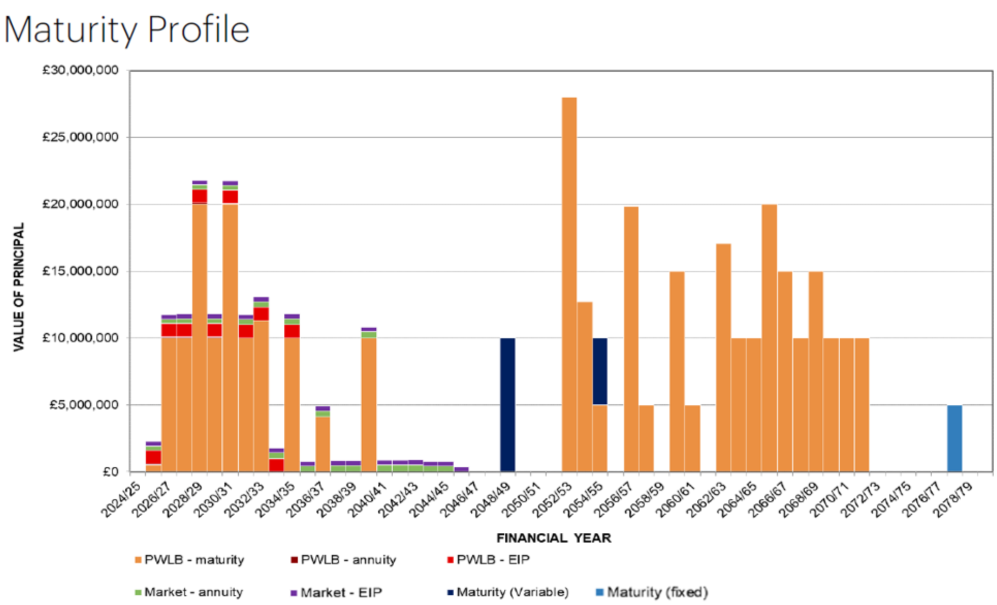


Table 2: Loan Maturity Profile

Financial Year	2024/25 Remaining £000's	2025/26-2026/27 £000's	2026/27-2028/29 £000's	2029/30-2032/33 £000's	2033/34-2037/38 £000's	2038/39+ £000's
Debt Maturing	0	2,263	46,323	60,106	32,365	238,389
% of total portfolio	0.00%	0.60%	12.21%	15.84%	8.53%	62.83%

Proactive Treasury Management by the Council in the last decade has placed the Council in a strong refinancing position for its existing external debt portfolio, with just 12.80% (£48.585 million) of the Council's total Loan Portfolio of £379.445 million requiring refinancing over the remainder of the current, and forthcoming four, financial years, as shown in the table above.

The majority of this (£43m) matures in the final few years of this decade (March 2027+) where borrowing in the last 12 months to fund the Council's in-year Capital Financing Requirements has been sourced in line with the approved TMIS – specifically, to borrow from PWLB for a relatively shorter term (3-5 years Maturity loan; 10 year Equal Instalment of Principle (EIP) loan), to navigate past the current interest rate hump, with gilt yields expected to ease throughout the course of the next 12-36 months.

This relatively low short-term exposure to refinancing risk puts the Council in a strong position to plan its borrowings in advance, take 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.

3.2 Deposits

The Council's position for funds on deposit fluctuates on a daily basis, with the 2024/25 Treasury Management Mid-Year Review Report setting out the position at 31 March 2024 of £56.619 million and six months later on 30 September 2024, at £49.550 million.

The position at 31 January 2025, as set out in Table 3 below, totals £45.408 million.

Table 3: Current Deposits as at 31 January 2025

Deposit Type	Principal Outstanding £000's	Weighted Average Rate
Bank Call Accounts	1,655	4.71%
Money Market Funds	23,753	4.72%
Bank Fixed Term Deposits	20,000	5.06%
Total Deposits	**45,408**	**4.87%**

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 – 2025/26 Detailed in Appendix 3, Section 4.4.

4. Treasury Management & Investment Strategy 2025/26

4.1 Main Objectives of TMIS 2025/26

The objectives of the 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;

The only material changes to the 2025/26 TMIS, from the 2024/25 TMIS approved by Council, are as follows:-

1. Approve the restriction of the Authorised Limit to the value of the Capital Financing Requirement at 31 March 2026 (£604.957 million) *(see Section 5 – Prudential Indicators)*, pending finalisation of the General Services Capital Plan Prioritisation;
2. To approve a change in policy to no longer fully cash-back the Council's usable reserves (see Section 4.4 – Investment Strategy).

There are no changes recommended to the Permitted Investments.

More detail on the borrowing and investment strategy for 2025/26 is provided in Sections 4.2, 4.3 and 4.4 below.

4.2 Borrowing Requirement 2024/25 to 2028/29

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 2024/25 to 2028/29 is shown in table 4:-

Table 4: Total Borrowing Requirement over the period 2024/25 to 2028/29

	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's	Total £000's
Capital Expenditure						
General Services	53,913	91,680	129,171	86,134	12,185	**373,083**
HRA	47,429	80,242	72,003	44,139	28,826	**272,639**

Total Capital Expenditure	**101,342**	**171,922**	**201,174**	**130,273**	**41,011**	**645,722**
Total Available Financing	-32,039	-36,073	-40,007	-23,478	-17,805	**-149,403**
Principal Debt Repayments	-10,394	-10,679	-12,111	-13,711	-15,111	**-62,006**
Capital Expenditure less available Financing	**58,909**	**125,170**	**149,054**	**93,084**	**8,095**	**434,313**
MEL Shareholder Injection	4,590	0	0	0	0	**4,590**
Maturing Long-term Loans	0	2,263	12,391	12,409	22,427	**49,490**
Total Borrowing Requirement	**63,499**	**127,433**	**161,445**	**105,493**	**30,522**	**488,393**
Borrowing secured	**-40,000**	**0**	**0**	**0**	**0**	**-40,000**
Anticipated borrowing over remainder of 2024/25	**-15,000**	**0**	**0**	**0**	**0**	**-15,000**
Total Remaining Borrowing Requirement	**8,499**	**127,433**	**161,445**	**105,493**	**30,522**	**433,393**

4.3 Borrowing Strategy for remainder of 2024/25 and 2025/26

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 (2024/25 to 2028/29).

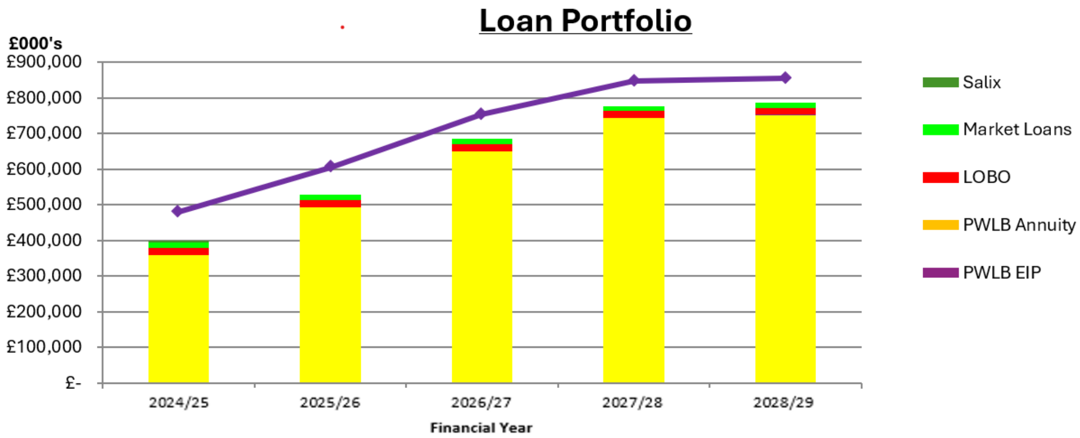
This TMIS provides for this capital investment to be underpinned by long-term borrowing, recognising the current interest rate environment, the significant borrowing requirement arising from the Council's capital plans, and the long term benefits of de risking the delivery and affordability of these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

The Council's **external loan debt** at 31 March 2025 is projected to be **£394.445 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 2025 is expected to equate to **£479.787 million** (*see Appendix 2, Table 2.3*).

This means that the Council is expected to be **£85.342 million (18%) under-borrowed** at the end of the 2024/25 financial year i.e. the Council has funded the majority (82%) of its underlying borrowing requirement as at 31 March 2025. 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; and is in line with the majority of other Scottish Local Authorities. As noted in Section 3.1 above, the Council has a relatively 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 **£855.191 million by 31 March 2029** (see Appendix 2, Section 2.3) – more than double the current external debt portfolio value. The profile of this, and the projected external loan portfolio to fund the Underlying Borrowing Requirement over the period 2024/25 to 2028/29, is shown in graphical format below.

Figure 3: Projected Loan Portfolio & Underlying Borrowing Requirement



Interest Rates

The current PWLB yield curve is bell shaped with the low point in the curve at the 3 year mark (4.90%; certainty rate) with rates trending upwards towards the 20-30 year tenor (high point of 5.86%) before easing back slightly to sit at c. 5.55% in the 50 year duration.

Current PWLB rates have generally increased by c. 50bps across the entire curve from levels reported at the time of the 2024/25 TMIS to Council in February 2024, and have shifted upwards by 25-35bps across the medium to long part of the curve since the TM Mid Year Review Report to Council in December 2024 whilst holding fairly steady at the very short (up to 7 year) range.

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. 40bps over the next 12 months, a further 40bps over the subsequent 12 months and a further 20bps over the following 12 months of the forecast period (so 100bps total).

This is forecast to bring longer-term borrowing rates down from between 5.30%-5.50%, to between:-

- 4.90%-5.10% by March 2026;
- 4.50%-4.70% by March 2027; and
- 4.30%-4.50% by March 2028.

The Interest Rate Forecast from the Council's Treasury Advisers, MUFG Corporate Markets (formerly Link Treasury Services Limited), is shown in Table 5 below, with Further commentary on this is provided in Appendix 3 Section 3.3.

Table 5: MUFG Interest Rate Forecasts

MUFG Corporate Markets Interest Rate View												
	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month average earnings	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month average earnings	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month average earnings	4.40	4.20	3.90	3.90	3.80	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 year PWLB	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 year PWLB	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 year PWLB	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 year PWLB	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

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 2024/25 financial year and during the 2025/26 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 5.30% in the 30-50 year duration (which are forecast to drop by 40bps within one year and a total of 80bps 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. 4.50% at the HRA rate), 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. 4.30%.

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 2024/25 and 2025/26 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+40bps. In the UK Budget in October 2024, the availability over which Councils can draw HRA rate borrowing from PWLB was extended to 31 March 2026.

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.

Appendix 3 Section 3.3 provides forecasts for interest rates from the Council's Treasury Management advisor, MUFG Corporate Markets. Council officers, in conjunction with MUFG, 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 MUFG 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 2024/25 and 2025/26

As noted in Section 4.1, the only change to the proposed Investment Strategy for the remainder of 2024/25 and 2025/26 is to no longer fully cash back the Council's useable reserves, instead using these balances to allow the deferral of borrowing at the current high interest rates payable, to allow the Council to most effectively navigate past the current interest rate hump of the next 36 months, when rates on longer term borrowing are expected to drop by 100bps.

No other changes are proposed to the Investment Strategy from that approved by Council in the 2024/25 TMIS.

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 remains unchanged from that approved by Council in the 2024/25 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 2024/25 TMIS, the inclusion of ESG criteria continues to be an emerging area in the Local Authority environment which will require ongoing monitoring.

For the 2025/26 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 MUFG 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 MUFG, 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.

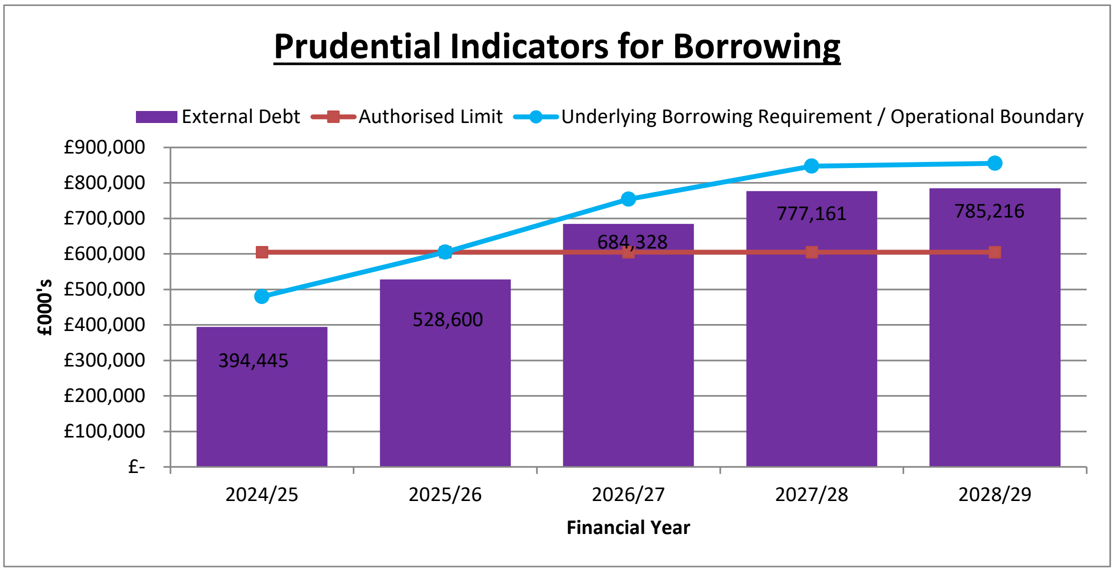
The Prudential Indicators that Councils need to consider relate to both actual, historic outcomes, and future estimated outcomes (covering the same period as the Council’s Capital Plans), as follows:-

- Actual outcomes for 2023/24;
- Revised estimates of the 2024/25 indicators; and
- Estimates of indicators for 2025/26 to 2028/29.

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 2025/26 financial year has been calculated to equate to the maximum value of the Underlying Borrowing Requirement in 2025/26. This equates to £604.957 million as outlined in Table 6 below.

Table 6: Authorised Limit for Borrowing: Calculation

Authorised Limit for Borrowing	**Amount £000's**
CFR – General Services (31 March 2026)	261,535
CFR – HRA (31 March 2026)	343,422
Proposed Authorised Limit for Borrowing	**604,957**

Council is therefore asked to approve an authorised limit for borrowing of £604.957 million (see Appendix 2, Section 4.2).

IFRS16

The Council will adopt IFRS16 for its statutory accounts for financial year 2024/25. This will bring on balance sheet all operating leases where there is a right of use asset addition. Work is being finalised to quantify the effect of this on the Balance Sheet and the Prudential Indicators, and adjustments to the limits will be included in the Treasury Management Outturn Report to Council in June 2025, and the Treasury Management Mid Year Review Report to Council in late 2025. Council should note that the on balance sheet treatment of IFRS16 will have no impact on the Council's underlying need to borrow for Treasury Management purposes, and therefore no limit on the Authorised Limit for Borrowing of £604.957 million as proposed in this report.

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.

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. For the 2025/26 financial year, there are 3 options available: (a) Asset Life method; (b) Depreciation method; and (c) Funding/income profile method.

In line with the policy adopted in 2024/25, the Asset Life method shall be used for those assets in Table 7.

Table 7: Asset Classes adopting 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

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, in line with previous years. 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 2024/25 is currently estimated to be 2.54%.

For all other asset classes, the policy will also be to profile the annual repayments under the “Asset Life” method, with the profile also calculated using the annuity method. 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 2024/25 is currently estimated to be 2.54%.

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.

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 MUFG 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 – 2025/26 Detailed