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Dear Member

AUDIT COMMITTEE - MONDAY, 8 SEPTEMBER 2025

I am now able to enclose, for consideration at the Monday, 8 September 2025 meeting of the Audit Committee, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
8.	Audit Progress Report and Sector Updates	(Pages 3 - 24)
9.	2024/2025 Treasury Management Outturn	(Pages 25 - 44)

Yours sincerely

Lisa Antrobus
Clerk

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Torbay Council

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Audit progress report and sector updates

September 2025

Agenda

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Audit Progress Report

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Introduction



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This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

<https://www.grantthornton.co.uk/industries/public-sector/local-government/>

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



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Progress in September 2025

Financial Statements Audit

In March 2025, we commenced our detailed audit risk assessment work for 2024/25. We issued a draft audit plan, setting out our proposed approach to the audit of the 2024/25 financial statements to management. This was presented to the Audit Committee in May 2025.

A key consideration for the Council for the 2024/25 financial statements is the implementation of IFRS 16 – Accounting for Leases. In our previous progress report, we prepared a briefing for Audit Committee members. Implementation has proven challenging for some Councils, and we set out on page 11 of this progress report some additional information on emerging themes from early work completed with the sector to date.

Furthermore, we will also seek to follow up our audit recommendations arising from the 2023/24 audit to seek assurance that improvements will be implemented in readiness for the 2024/25 accounts preparation and audit.

As part of the council's work in addressing the concerns raised in the 2023/24 financial statements audit, they have requested additional time to quality assure and review the 2024/25 draft financial statements prior to the commencement of our audit. We have therefore delayed the start of our audit from 15 September to 6 October. We will also complete our follow up planning work for outstanding information required to support the audit in mid-September.

Value for Money

Our value for money work is scheduled to start in September 2025 and initial meetings have been arranged with Council officers on 24 September. We expect our work to be completed by end of November 2025 and we will present our Auditor's Annual Report in January 2026 alongside our Audit Findings Report.

Progress in September 2025 (continued)

Meetings

As part of our audit for 2024/25, we continue to meet quarterly with the Chief Executive and Director of Finance, with the most recent liaison meeting taking place on 16 July 2025.

Events

We provide a range of workshops and network events. On 4 June 2025 we held a webinar providing updates on local government re-organisation and devolution; and lessons from our 2023/24 value for money audits.

On 28 August 2025 we held a webinar providing further guidance and practical examples for the transition to IFRS16. Officers from Torbay Council registered to attend this event.

Audit Fees

PSAA have published their scale fees for 2024/25 [2024/25 audit fee scale – PSAA](#)

For Torbay Council these fees are £340,484 for the audit. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

Local Audit Reform

On 9 April 2025, the government published [Local audit reform: Government response to the consultation to overhaul local audit in England - GOV.UK](#)

Recognising that a backlog in local audit sign off of nearly 1,000 audits had impacted on local accountability and transparency, the purpose of the consultation was to rebuild a system of local audit, ensuring that audited accounts are published on time and that trust and confidence in how councils are spending their money is restored. Grant Thornton welcomes the reforms which we believe are much needed.

The key outcome of the consultation is the decision to proceed with the establishment of a new Local Audit Office (LAO) with effect from 1 April 2026. Further details are set out below.

Local Audit Office – Core Principles

Value for Money: providing confidence for stakeholders that proper arrangements are in place

Transparency of the sector's financial health and VfM arrangements

Capacity and capability: A sustainable and resilient audit market with access to the right expertise

External scrutiny which challenges and drives improvement

Professionalism: building a sector attractive to auditors

Proportionality: local audit that is proportionate and relevant, from regulations to governance

Stronger accountability: high standards of financial reporting to promote public accountability

Timely: High quality accounts which are produced on a timely basis.

Impacts for local authorities

- A mandatory requirement for at least one independent Audit Committee member at each authority
- Mandatory reporting of the Auditor's Annual Report to full Council
- The introduction of a Local Public Accounts Committee, following the central government model
- The strengthening of Internal Audit capacity.

The Local Authority Backstop

In the autumn of 2024, the government amended the Accounts and Audit Regulations, introducing a series of dates by which local authorities had to publish final sets of audited financial statements. By the second of these dates, 28 February 2025, approximately 40% of local authorities had received an unqualified opinion on their financial statements for 2023/24. The remaining 60% of audits were disclaimed as auditors had not been able to conclude work by the deadline. We are pleased to report that Grant Thornton issued unqualified opinions on 65% of our audits, well ahead of the national average.

Below we set out more details of how we and colleagues across the sector are working with regulators to help rebuild assurance for stakeholders.

Regaining assurance

A major challenge for auditors in regaining assurance, and returning to an unqualified audit opinion, is that without undertaking audit work in respect of prior year transactions (e.g. years which were not subject to an audit) there will be uncertainty as whether reserves have been properly accounted for.

The National Audit Office (NAO) has indicated that it will shortly be publishing a new set of guidance for auditors, as part of its Local Audit Reset and Recovery Guidance (LARRIG) series. This will set out key considerations that may assist auditors in regaining assurance at previously backstopped audits.

Impacts for your audit

We will review the NAO guidance and consider how it can best be applied across our local government portfolio. We believe the first priority at all audited bodies which have previously been backstopped is to gain assurance regarding in year transactions and closing balances for the current audit year. This is the approach which we will adopt for your authority for 2024/25.

We will be working closely with the NAO and once established the Local Audit Office to identify how assurance can be regained most effectively at all audited bodies in future years. We will keep you updated on these discussions.

How you can support us

Timely preparation of draft accounts and high quality supporting working papers is fundamental to the success of audit closedown. We look for all local authorities to prioritise this in enabling the sector to return to balance.



National Audit Office

Audit Deliverables

Below are some of the audit deliverables planned for 2024/25

2024/25 Deliverables	Planned Date*	Status
Audit Plan We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council’s 2024/25 financial statements.	May 2025	Complete
Audit Findings Report The Audit Findings Report will be reported to the Audit Committee.	January 2026	Not yet due
Auditors Report This includes the opinion on your financial statements.	January 2026	Not yet due
Auditor’s Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	January 2026	Not yet due

Sector Updates

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Challenges faced by local authorities in implementing IFRS 16 (1)

IFRS 16 is an international accounting standard that changes how leases are reported in financial statements. It requires organisations to bring most leases onto the balance sheet, recognising both a right-of-use asset (the value of the leased item) and a lease liability (the obligation to make future lease payments). This change improves transparency by more comprehensively reporting the extent of an organisation's leasing commitments on the balance sheet. It replaces the previous distinction between operating and finance leases for lessees under IAS 17.

In the UK public sector, IFRS 16 is adopted through the CIPFA Code of Practice on Local Authority Accounting. After several deferrals, it is now mandatory for local authorities from 1 April 2024, impacting the 2024/25 financial year.

As local authorities prepare their 2024/25 financial statements and apply IFRS16 for the first time, several areas are proving particularly challenging. These challenges are not just technical — they have implications for governance, transparency, and the accuracy of financial reporting. The Audit Committee plays a key role in providing oversight and assurance. The table below sets out some areas which can present difficulties, along with suggested questions for finance teams and Audit Committees to consider.

Area of difficulty	Description	Challenge questions to ask the Finance team
Completeness of lease records	<p>One of the most fundamental requirements of IFRS 16 is that all lease arrangements must be identified and recorded. This includes not only formal lease contracts but also informal or embedded leases that may be part of broader service agreements.</p> <p>Many authorities conducted a one-off review of leases as they prepared for the transition but without ongoing processes, there is a risk that new leases entered into during the year may not be captured.</p> <p>This could result in incomplete or inaccurate entries in the financial statements.</p>	<p>(a) How does the finance team ensure that all lease agreements, including those entered after the initial review, are identified and properly recorded?</p> <p>(b) What approach does the finance team take to work with other departments in identifying and reporting lease arrangements, especially those that might be informal or embedded in other contracts?</p> <p>(c) What processes or controls are in place to keep the lease register accurate and up to date throughout the year?</p>

Challenges faced by local authorities in implementing IFRS 16 (2)

Area of difficulty	Description	Challenge question to ask the Finance team
<div>Page 14</div> Holdover leases (expired leases still in use)	<p>In some cases, a property lease agreement may have ended but the authority continues to occupy and use the premises. These are known as holdover leases.</p> <p>The challenge here is determining whether the continued use of the asset creates a new lease under IFRS 16. This depends on whether there are still enforceable rights and obligations between the authority and the landlord. Making this assessment often requires legal judgment and careful documentation.</p> <p>The most challenging aspect of holdover leases is determining the lease term. Management must consider whether there is an implied contract, the term of the arrangement, and whether there are any continuing enforceable rights or obligations, as well as any significant costs or penalties from terminating the arrangement.</p>	<ul style="list-style-type: none"> (a) Have any holdover leases been identified, and how has the finance team assessed whether these should be treated as leases under IFRS 16? (b) Where there was uncertainty, has legal advice been sought, and are the assumptions and judgments clearly documented? (c) What approach has been taken to determine the lease term for agreements that are open-ended or automatically renew?
Peppercorn or nominal rent leases	<p>Some leases involve little or no payment — for example, a community building leased for £1 per year. These are known as peppercorn leases.</p> <p>Even though the payments are minimal, IFRS 16 requires the authority to recognise a right-of-use asset on its balance sheet at fair value. This can be difficult, especially if there is no recent valuation or if the asset is unique.</p>	<ul style="list-style-type: none"> (a) Have any lease arrangements been identified where the payments are nominal or zero? If so, how have these been assessed under IFRS 16? (b) What process has been followed to determine the fair value of the right-of-use assets in these cases? (c) Is there sufficient documentation and evidence to support the valuation approach taken?

Challenges faced by local authorities in implementing IFRS 16 (3)

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Area of difficulty	Description	Challenge question to ask the Finance team
Lease modelling and use of external advisors	<p>Some authorities have relied on external advisors to calculate the lease liabilities and right-of-use assets required under IFRS 16.</p> <p>While this can be helpful, it has created challenges where the advisors have not provided the underlying data or assumptions used in the calculations. Without this information, it becomes difficult for the finance team to explain or support the figures in the accounts.</p>	<p>(a) Have external advisors been involved in the lease accounting process, and if so, do they have access to the detailed inputs and assumptions used in the calculations?</p> <p>(b) Can the finance team fully explain and support the lease figures presented in the financial statements?</p> <p>(c) What documentation and internal checks are in place to ensure the accuracy and completeness of lease calculations and disclosures?</p>
Variable lease payments linked to indices or rates	<p>Some lease payments vary based on inflation or other financial indices. For example, a lease might include annual increases linked to the Consumer Prices Index (CPI).</p> <p>Under IFRS 16, the authority must estimate future payments based on known changes to these indices. This requires careful judgment and can affect the accuracy of the lease liability recorded.</p>	<p>(a) How has the finance team addressed lease arrangements that include variable payments?</p> <p>(b) Have known changes to inflation rates or other relevant indices been factored into the lease calculations, and how has this been documented?</p>
Group leases and consolidation	<p>In some cases, leases exist between a council and its wholly owned subsidiary, or arrangements between a police and crime commissioner and the chief constable may in some circumstances meet the definition of a lease.</p> <p>These leases must be included in the individual accounts and then adjusted on consolidation. This can be complicated, especially if different entities within the group use different accounting standards.</p>	<p>(a) How has the finance team identified and accounted for lease arrangements between group entities?</p> <p>(b) What steps have been taken to align accounting policies in preparing group accounts?</p> <p>(c) How are intra-group leases treated in the consolidated financial statements, and what documentation supports this treatment?</p>

Reorganisation update

March 2025:

Twenty-one two tier areas were invited by the Minister of State for Local Government and English Devolution to submit interim plans for reorganisation by 21 March 2025. Councils were asked to **“make every effort to work together to develop and jointly submit one proposal”** for each area. Finding the consensus necessary to achieve this has been a challenge though.

The Local Government Chronicle reports that the Minister received in reply at least 40 separate local government reorganisation (LGR) interim plan submissions; outlining across the replies at least 53 separate LGR options. From the replies, none of the 21 areas had agreed a final geography for new unitary councils.

May 2025:

Surrey was asked to submit its final proposal for reorganisation by 9 May 2025. Again though, consensus has not been achieved. The County Council put forward a final proposal for two unitaries on 30 April 2025; and one of the prominent Borough Councils put forward a final proposal for three unitaries a week or so later.

With so little consensus at this stage, moving to next steps may be difficult.



Expected next steps:

26 September 2025 - Deadline for areas in the Devolution Priority Programme to submit final proposals for reorganisation.

28 November 2025 - Deadline for all other areas to submit final proposals for reorganisation.



Recommended reading:

For these challenging times, three sets of material from Grant Thornton may be useful:

September 2024 - [Learning from the new unitary councils](#)

March 2025 - [Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)

March 2025 - [Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)

Making decisions

With so much changing in local government, and across the UK economy, making good decisions has perhaps never been more important. Two recent major publications on decision-making for mayoral combined authorities and public sector mega-projects both include content that may be useful for strategic and complex decision-making at other levels of government.

Strategic decision-making:

The Institute for Government published advice in March 2025 on [“How the government can support better decision making in mayoral combined authorities”](#).

To enhance capacity and accountability for strategic decisions, councils need

- Provide good technical and administrative resource to ensure that the plans members are voting on are well designed.
- Consider utilising digital tools for community engagement.
- Embed participatory processes, including peer research projects, to inform and support policy making.



Complex decision-making:

The National Audit Office published a report in March 2025 on: [Lessons learned: Governance and decision-making on mega-projects](#)

To improve decision-making for the most complex projects, Councils need to:

- Adopt governance arrangements that reflect the main risks to delivery and to achieving value for money.
- Map out the decision pathway, setting out which decisions will need to be made when, and by whom.
- Ensure those charged with governance over complex projects have the skills, qualification and experience needed to make decisions on the projects.



Homelessness

In May 2025, a new report by the Institute for Government highlighted how local authority spending on homelessness has nearly trebled in real terms over the last 14 years, and yet the number of homeless people has continued to rise, now reaching record proportions:

Local authority spending on homelessness in real terms (2024/25 prices):

- 2010/11: £1.3 billion.
- 2024/25: £3.1 billion.

Local authority median spend on homelessness as a % of all median spend:

- 2010/11: 18%.
- 2023/24: 54%.

Changes in the level of homelessness:

- 2010/11 to 2024/25: More than doubled.
- September 2024: 126,040 households living in temporary accommodation.



The Institute for Government (IFG) highlights that we need to focus not just on how much is spent, but also on what we spend it on. Local authorities often end up spending most of their budget, plus homelessness prevention grants and rough sleeper grants, on acute responses to homelessness. These are often exorbitantly expensive and come at the cost of underlying prevention work. IFG suggests also that individual local authorities work at too small a scale to tackle the extent of the homelessness problem – and that stronger place-based approaches are needed.

A recent report by the [Local Government Chronicle](#) looks at a similar issue through a different lens, suggesting that stronger investment in counter fraud would help slash some of the escalating spend on temporary accommodation.

Although they come at the issue of spend on homelessness from different angles, both reports indicate that challenging **how** the budget is spent, **and on what**, is more important than simply asking what the budget is.



Housing targets and housing enquiry

Figures from the [Office for Budget Responsibility](#) on 26th March 2025 indicate that changes to the planning system mean that housebuilding is at a 40-year high and that 1.3 million new homes will be built across the UK by the end of this decade.

Provisional figures from [Homes England](#) on 20th May 2025 suggest that the agency exceeded its overall targets for new housing starts and completions in 2024/25, for the second year running.

Nevertheless, the government continues to look at even more new ways of opening-up housebuilding and development activity. The UK parliament is now calling for evidence from anyone who can contribute to an enquiry around the effectiveness of the current system for developer contributions.

In 2022/23, some 44% of affordable housing was provided through Section 106 agreements. Parliament wants to consider whether:

- The current system is understandable and accessible to stakeholders;
- Local Planning Authorities are receiving the correct support from MHCLG to ensure they can efficiently and effectively collect and spend developer contributions;
- The Ministry of Housing, Communities and Local Government's (MHCLG's) oversight of the system is effective; and
- MHCLG can learn and apply lessons to the process.

A [National Audit Office](#) report on the Section 106 system is due out in the summer. In the meantime, the deadline for providing evidence to the enquiry is 16th June 2025.

If you want to contribute to the enquiry, please give your evidence here:

[Call for Evidence - Committees - UK Parliament](#)



National Audit Office

Complaints data from the Local Government and Social Care Ombudsman



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Local Government &
Social Care
OMBUDSMAN

Annual 2024/25 complaints statistics have recently been published for each Council by LGSCO: [Your council's performance](#).

This is an earlier publication date for the statistics than in other years – because the Ombudsman is responding to requests that the timetable be made to fit better with Council complaint reporting cycles. LGSCO has also responded to Council requests by including absolute numbers in the data, so that the emphasis is shifted away from percentages (in upheld, satisfactory remedies and compliance) and better context is given.

A very clear traffic light rating system has been adopted – and both Councils and residents will be able to see immediately how well their area fares.

Complaints data is an important tool for judging where energy needs to be directed for risk and performance management. Context and proportion are important as well though for judging overall performance; and earlier data is generally more useful than later data. The improvements made this year to timing and presentation will help Councils and their members make the most of the valuable resource that LGSCO provides.

Climate change - new role for the Energy Ombudsman

The Energy Ombudsman took on a new role on 1 April 2025, as the official dispute resolution body for Great Britain's heat network customers.

The [Association for Decentralised Energy \(ADE\)](#) estimates that heat networks, are projected to unlock £100 billion in UK infrastructure investment by 2050, while at the same time cutting carbon emissions. The sector is poised to play a central role in the UK's net-zero transition.

ADE estimates that most consumers are happy with the experience they have of using heat networks. Nevertheless, having an official ombudsman role boosts the credibility of the industry.

As major providers in the field, Councils do need to be aware of the new dispute resolution arrangements. The Ombudsman invited providers to register with them in the run up to 1 April. Anyone who has not done so yet, should register now so that they can keep abreast with the changes ongoing.

Register here: [Join our Heat Network Supplier scheme | Energy Supplier Portal](#)



Webinar for Audit Committee members

We held a webinar for members of Audit Committees on 4th June 2025.

Delivered by Grant Thornton specialists and drawing on experience from across the sector, the webinar covered: How to prepare for devolution and reorganisation; and shared experiences from other reorganisations - with a focus on:

- Learning from the recent formation of eight new unitary councils between 2019 and 2023
- Progress by the eight new unitary councils in 2023/24
- How to successfully reorganise local government at the same time as implementing devolution
- Project management lessons learned for reorganisation
- Performance measurement lessons learned for reorganisation
- Governance lessons learned for reorganisation
- Other relevant findings from Auditors Annual Reports for 2023/24.

The recording of our webinar can be accessed here: [Audit committee webinar](#).



Audit Committee resources

The Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

Global Internal Audit Standards

[Global Internal Audit Standards](#)

Code of Audit Practice for local auditors (NAO):

<https://www.nao.org.uk/code-audit-practice/>

Governance risk and resilience framework: material for those with a leadership responsibility on good governance (CfGS):

<https://www.cfgs.org.uk/material-for-those-with-a-leadership-responsibility-on-good-governance/>

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

CIPFA Guidance and Codes

The following all have a charge, so do make enquiries to determine if copies are available within your organisation.

Audit Committees: Practical Guidance For Local Authorities And Police

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

Delivering Good Governance in Local Government

<https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

Financial Management Code

<https://www.cipfa.org/fmcode>

Implementing Global Internal Audit Standards

[Global Internal Audit Standards in the UK Public Sector](#)

Prudential Code

<https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2021-edition>

Treasury Management Code

<https://www.cipfa.org/policy-and-guidance/publications/t/treasury-management-in-the-public-services-code-of-practice-and-crosssectoral-guidance-notes-2021-edition>



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Meeting: Audit Committee/Council

Date: 8 and 11 September 2025

Wards affected: All Wards in Torbay

Report Title: Treasury Management Outturn 2024/25 Report

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1. Purpose of Report

- 1.1 This report is to provide members with an annual report on the treasury management activities undertaken during the year 2024/25, which is compared to the 2024/25 Treasury Management Strategy.

2. Reason for Proposal and its benefits

- 2.1 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report.

3. Recommendation(s) / Proposed Decision

That the Audit Committee recommends to Council:

That the Treasury Management decisions made during 2024/25, as set out in the submitted report be noted.

Appendices

Appendix 1: Arlingclose Economic Commentary on the External Context for Treasury Management Activity – May 2025

Appendix 2: Borrowing and Investment Portfolio

Background Documents

Treasury Management Strategy 2024/25

Supporting Information

1. Introduction

- 1.1 In March 2023 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports.
- 1.2 The Council's treasury management strategy for 2024/25 was approved by Council at a meeting on 22 February 2024. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.

2. External Context

- 2.1 An economic commentary for the year provided by the Council's treasury management advisors, Arlingclose, is provided at Appendix 1 to this report.
- Inflation continued to stay above the 2% Bank of England target in the later part of 2024/25 (2.8% February 2025).
 - Bank Rate began at 5.25% with rate cuts in August and November 2024 and February 2025, which took Bank Rate to 4.50% at the end of the financial year.
 - Financial market sentiment was reasonably positive over most of the period, but economic, financial and geopolitical issues meant the trend of market volatility remained.
 - The 10-year UK benchmark gilt yield started the period at 3.94% and ended at 4.69%, having reached a low of 3.76% in September and a high of 4.90% in January.

3. Local Context

- 3.1 On 31st March 2025, the Council had net borrowing of £301m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), which represents the amount of capital expenditure that is not funded from capital receipts, government grants, third party contributions or revenue, while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary (subject to finalisation and audit)

	31.3.25 Actual £m
Total CFR	437
Less: *Other debt liabilities	(14)
Borrowing CFR	423
External borrowing	351
Internal borrowing	72
Less: Balance Sheet resources (usable reserves, working capital and other cash backed items)	(122)
Net treasury position	287

* PFI liabilities that form part of the Council's total debt

- 3.2 The Council pursued its strategy of keeping borrowing and investments well below their maximum permitted levels (i.e. using internal cash resources in place of borrowing), sometimes known as internal borrowing, to strike an appropriate low risk balance between securing low interest rates and achieving cost certainty over the periods for which funds are required. The Authority's borrowing strategy continues to address the key metric of affordability without compromising the longer-term stability of the debt portfolio.
- 3.3 The treasury management position on 31st March 2025 and the change during the year is shown in Table 2 below. A further breakdown of long-term investments is added at Table 2.1 and a list of loans and investments is detailed at Appendix 2.

Table 2: Treasury Management Summary

	31.3.24 Balance £m	Movement £m	31.3.25 Balance £m	31.3.25 Rate %
Long-term borrowing	359	(13)	346	2.86%
Short-term borrowing	0	5	5	4.38%
Total borrowing	359	(8)	351	2.88
Long-term investments*	(15)	(10)	(25)	4.75
Short-term investments	(34)	(4)	(38)	4.93
Cash and cash equivalents	(1)	0	(1)	3.25
Total investments	(50)	(14)	(64)	4.85
Net position	309	(22)	287	2.50

*Long term investments include the CCLA Property Fund, Supranational and Corporate Bonds investments at market valuation and fixed deposits with over 1 year to maturity

Table 2:1 Breakdown of Long-Term Investments

	31.3.24 Balance £m	Movement £m	31.3.25 Balance £m
Fixed Deposits	(5)	5	0
CCLA LA Property Fund	(5)	0	(5)
Supranational and Corporate Bonds	(5)	(10)	(15)
Total Long-Term Investments	(15)	(5)	(20)

4. Borrowing Update

- 4.1 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield.
- 4.2 The Council has reviewed its capital programme in light of changes to the CIPFA Prudential Code and PWLB lending arrangements to ensure that borrowing to invest primarily for commercial return is no longer undertaken.
- 4.3 At 31st March 2025 the Council held £351m of loans, (a decrease of £8m to the 31st March 2024 position) as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 31st March are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.24 Balance £m	Net Movement £m	31.3.25 Balance £m	31.3.25 Weighted Average Rate %	31.3.25 Weighted Average Maturity (years)
Public Works Loan Board	349.0	(8)	341.0	2.830	26.1
Banks (LOBO)	5.0	-	5.0	4.700	55.6
Banks (fixed-term)	5.0	-	5.0	4.395	51.5
Total borrowing	359.0	(8)	351.0	2.880	26.1

- 4.5 In keeping with these objectives, no new borrowing was undertaken, while £7.7m of existing loans matured without replacement
- 4.6 Early repayment of £5m of PWLB loans for the purpose of realigning the borrowing portfolio with revised capital plans over the medium term was undertaken in March 2024.
- 4.7 These measures enabled the Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 4.8 LOBO loans: The Council continues to hold a £5m LOBO (Lender's Option Borrower's Option) loan where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. The lenders option does not become due until 2028.

5. Other Debt Activity

- 5.1 Private Finance Initiative liabilities remained at around £14m on 31st March 2025, taking total debt to £365m

6. Treasury Investment Activity

- 6.1 The CIPFA Treasury Management Code now defines treasury management investments as investments that arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
- 6.2 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances ranged between £42 million and £94 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.24 Balance £m	Net Movement £m	31.3.25 Balance £m	2024/25 Income Return %	2024/25 Weighted Average Maturity days
Banks & building societies (unsecured)	0.3	0.8	1.1	3.25	1
Local Authorities	35.0	7.0	42.0	4.96	197
DMO (Govt) Deposits	0.0	0.0	0.0		
Government Bonds	2.0	0.0	2.0	4.44	1,417
Corporate bonds	3.3	10.2	13.5	4.50	5,513
Money Market Funds	4.5	(3.5)	1.0	4.91	1
Other Pooled Funds:					
- <i>Cash plus fund</i>	0.0	0.0	0.0	-	
- <i>Property fund</i>	4.4	0.0	4.4	5.68	
Total investments	49.5	14.5	64.0	4.56	

- 6.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 6.4 Bank Rate reduced from 5.25% to 5.00% in August 2024, again to 4.75% in November 2024 and again to 4.5% in February 2025 with short term interest rates largely being around these levels. Rates on the Council's Money Market Funds were between 4.43% and 5.27%, with the average return being 4.91%.
- 6.5 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

At 31st March 2025	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
Torbay Council	4.47	AA-	2%	1,446	4.95
17 English Unitaries	4.97	A+	72%	107	5.36
121 LA Average	4.77	A+	64%	8	4.80

- 6.6 At the commencement of the year £35 million of the investment portfolio was locked into fixed deposits with local authorities on varying maturities and at rates ranging from 4.20% to 5.95%. All of these matured during the year and included within new deals were £55m of short-term deals maturing within 1-year deals at rates between 4.75% and 5.60%, and one 3-year loan with a yield of 4.6% maturing in 2027. At year-end LA deposits stood at £42m.
- 6.7 As part of a more diversified portfolio, we acquired £10m in investment-grade supra-national bonds with maturities between 2029 and 2044, giving a total bond investment at the year-end of £15m. The published yields of these bonds range from 4.118% to 4.802%. These investments give security of return over the longer term; however, the short term traded prices of these securities can fall below the nominal value and at the year end the indicative value in total was £14.6m. Since these investments are held to provide secure income and not to be actively traded, they are valued at cost in our Treasury Management Statements.
- 6.8 Throughout the year funds not required on a daily basis were placed in short term deals with the UK governments' DMADF facility and in liquid overnight Money Market Funds to earn income and to remain available to assist the delivery of internal council borrowing for capital funding and for proposed strategic investments.
- 6.9 **Externally Managed Pooled Funds:** £5m of the Council's investments are invested in an externally managed strategic pooled property fund where short-term value and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an income return of £0.25m (5.68%). There was no significant unrealised gain or loss for the year.

7. Non-Treasury Investments

- 7.1 The definition of investments in CIPFA's Treasury Management Code covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) or for commercial purposes (made primarily for financial return).

- 7.2 The outturn position of the Council's non-treasury investments will form part of the Statement of Accounts 2024/25 and will be reported with the usual level of detail within the Treasury Management 2025/26 mid-year review.

8. Treasury Performance

- 8.1 The financial performance of the Council's direct treasury management activities in terms of its impact on the revenue budget is shown in table 6 below.

Table 6: Performance

As at 31st March 2025	Budget 2024/25	Outturn 2024/25	Variation
	£M	£M	£M
Investment Income	(1.9)	(3.7)	(1.8)
Interest Paid on Borrowing	13.4	11.5	(1.9)
Net Position (Interest)	11.5	7.8	(3.7)
Minimum Revenue Provision (excl. PFI)	6.9	7.6	0.7
Gross premium/(discount) on PWLB repayment	0.0	(0.5)	(0.5)
Net Position (Other)	6.9	7.1	0.2
Net Position Overall	18.4	14.9	(3.5)

9. Compliance

- 9.1 The Chief Finance Officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

Compliance with specific limits is demonstrated in table 7 below.

Table 7: Investment Limits

	2024/25 Maximum	31.3.25 Actual	2024/25 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£9m	£5m	£15m	Yes
Unsecured investments with banks and building societies	£5m	-	£6m	Yes
Money Market Funds – per fund	£9m		£15m	Yes
Total held across all MM funds at y/e		£4m		
Strategic pooled funds	£5m	£5m	£10m	Yes

Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 8 below.

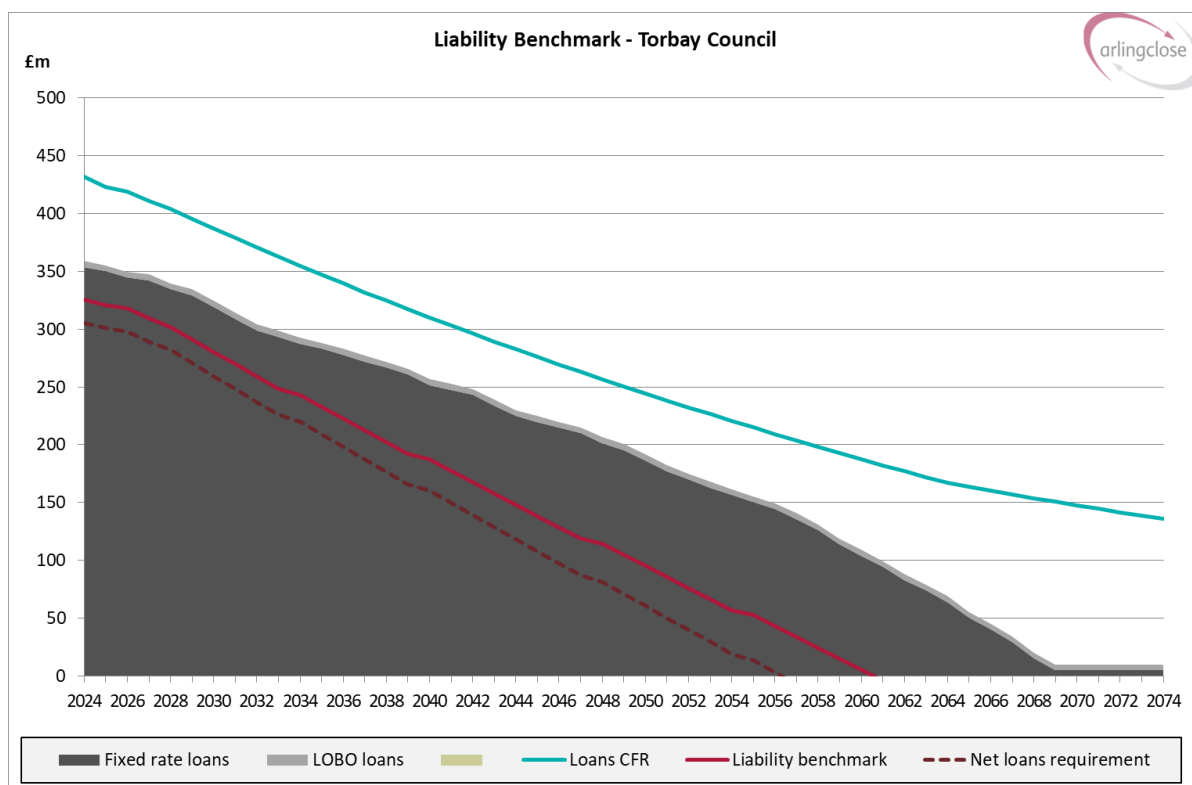
Table 8: Debt Limits

	2024/25 Maximum	31.3.25 Actual	2024/25 Operational Boundary	2024/25 Authorised Limit	Complied? Yes/No
Borrowing	£359m	£351m	£430m	£480m	Yes
PFI & Finance Leases	£14m	£14m	£20m	£20m	Yes
Total Debt	£373m	£365m	£450m	£500m	Yes

9.2 **Treasury Management Indicators:** The Council measures and manages its exposures to treasury management risks using the following indicators.

Liability Benchmark This indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10m required to manage day-to-day cash flow.

The latest estimate of the Liability Benchmark is illustrated in the graph below demonstrating maturing borrowing levels remaining above the benchmark over the long term with scope for future treasury management decisions to reduce the margin.



Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating/credit score of its investment portfolio. The Council understands that credit ratings are good, but not perfect predictors of investment default. Regard is also given to other available sources of information on the credit quality of the organisations in which it invests, including default swap process, financial statements and reports in the quality financial press, amongst others. The credit score is calculated by applying a value to each investment (AAA=1, AA+=2, A=6 etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.3.25 Actual	2024/25 Target	Complied?
Portfolio average credit rating (score)	AA- (4)	A (6)	Yes

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling one-month period, without additional borrowing.

	31.3.25 Actual	2024/25 Target	Complied?
Total cash available within one month	£10M	£10M	Yes

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.3.25 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	1%	40%	0%	Yes
12 months - within 24 months	1%	40%	0%	Yes
24 months and within 5 years	6%	30%	0%	Yes
5 years and within 10 years	10%	40%	0%	Yes
10 years and within 20 years	19%	50%	0%	Yes
20 years and within 30 years	20%	60%	0%	Yes
30 years and within 40 years	27%	50%	0%	Yes
40 years and over	16%	50%	0%	Yes

Principal Sums Invested for Periods Longer than a year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2024/25	2025/26	2026/27
Actual principal invested beyond year end	£15m	£15m	£15m
Limit on principal invested beyond year end	£40m	£40m	£40m
Complied?	Yes	Yes	Yes

10. Other

- 10.1 **Statutory override:** Further to consultations in April 2023 and December 2024 MHCLG wrote to finance directors in England in February 2025 regarding the statutory override on accounting for gains and losses in pooled investment funds. On the assumption that when published regulations follow this policy announcement, the statutory override will be extended up until the 1st April 2029 for investments already in place before 1st April 2024. The override will not apply to any new investments taken out on or after 1st April 2024.

The Authority has reserves available to mitigate the impact of the statutory override not being extended after 1st April 2029. The Council's investment which is impacted by the override is the £5m investment in the CCLA Property Fund. This investment was made before 1st April 2024 meaning it falls within the parameters of the extension of the override to 1st April 2029.

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Appendix 1

Economic Commentary (Provided by Arlingclose, May 2025)

Economic background: Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook. The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 to 1% from 2%. However, it upgraded its predictions for the four subsequent years. Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before seen as falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions and President Trump.

After revising its interest rate forecast in November following the Budget, the council's treasury management advisor, Arlingclose, maintained its stance that Bank Rate will fall to 3.75% in 2025.

UK annual Consumer Price Index (CPI) inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices at 2.8% in February 2025, down from 3.0% in the previous month and below expectations. Core CPI also remained elevated, falling slightly in February to 3.5% from 3.7% in January, just below expectations for 3.6% but higher than the last three months of the calendar year.

The UK economy Gross Domestic Product (GDP) grew by 0.1% between October and December 2024, unrevised from the initial estimate. This was an improvement on the zero growth in the previous quarter, but down from the 0.4% growth between April and June 2024. Of the monthly GDP figures, the economy was estimated to have contracted by 0.1% in January, worse than expectations for a 0.1% gain.

The labour market continued to cool, but the ONS data still require treating with caution. Recent data showed the unemployment rate rose to 4.4% (3mth/year) in the three months to January 2025 while the economic inactivity rate fell again to 21.5%. The ONS reported pay growth over the same three-month period at 5.9% for regular earnings (excluding bonuses) and 5.8% for total earnings.

The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak. At the March MPC meeting, members voted 8-1 to maintain Bank Rate at 4.5%, with the one dissenter preferring another 25 basis points cut. The meeting minutes implied a slightly more hawkish tilt compared to February when two MPC members wanted a 50bps cut. In the minutes, the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%.

The February Monetary Policy Report (MPR) showed the BoE expected GDP growth in 2025 to be significantly weaker compared to the November MPR. GDP is forecast

to rise by 0.1% in Q1 2025, less than the previous estimate of 0.4%. Four-quarter GDP growth is expected to pick up from the middle of 2025, to over 1.5% by the end of the forecast period. The outlook for CPI inflation showed it remaining above the MPC's 2% target throughout 2025. It is expected to hit around 3.5% by June before peaking at 3.7% in Q3 and then easing towards the end of the year, but staying above the 2% target. The unemployment rate was expected to rise steadily to around 4.75% by the end of the forecast horizon, above the assumed medium-term equilibrium unemployment rate of 4.5%.

Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall throughout 2025. From the cuts in August and November 2024 and February 2025, which took Bank Rate to 4.50%, May is considered the likely month for the next reduction, with other cuts following in line with MPR months to take Bank Rate down to around 3.75% by the end of 2025.

The US Federal Reserve paused its cutting cycle in the first three months of 2025, having reduced the Fed Funds Rate by 0.25% to a range of 4.25%-4.50% in December, the third cut in succession. Fed policymakers noted uncertainty around the economic outlook but were anticipating around 0.50% of further cuts in the policy rate in 2025. Economic growth continued to rise at a reasonable pace, expanding at an annualised rate of 2.4% in Q4 2024 while inflation remained elevated over the period. However, growth is now expected to weaken by more than previously expected in 2025, to 1.7% from 2.1%. The uncertainty that President Trump has brought both before and since his inauguration in January is expected to continue.

The European Central Bank (ECB) continued its rate cutting cycle over the period, reducing its three key policy rates by another 0.25% in March, acknowledging that monetary policy is becoming meaningfully less restrictive. Euro zone inflation has decreased steadily in 2025, falling to 2.2% in March, the lowest level since November 2024. Over the current calendar year, inflation is expected to average 2.3%. GDP growth stagnated in the last quarter of the 2024 calendar year, after expanding by 0.4% in the previous quarter. For 2025, economic growth forecasts were revised downwards to 0.9%.

Financial markets: Financial market sentiment was reasonably positive over most of the period, but economic, financial and geopolitical issues meant the trend of market volatility remained. In the latter part of the period, volatility increased and bond yields started to fall following a January peak, as the economic uncertainty around likely US trade policy impacted financial markets. Yields in the UK and US started to diverge in the last month of the period, with the former rising around concerns over the fiscal implications on the UK government from weaker growth, business sentiment and higher rates, while the latter started falling on potential recession fears due to the unpredictable nature of policy announcements by the US President and their potential impact.

The 10-year UK benchmark gilt yield started the period at 3.94% and ended at 4.69%, having reached a low of 3.76% in September and a high of 4.90% in January in between. While the 20-year gilt started at 4.40% and ended at 5.22%, hitting a low

of 4.27% in September and a high of 5.40% in January. The Sterling Overnight Rate (SONIA) averaged 4.90% over the period.

The period in question ended shortly before US President Donald Trump announced his package of 'reciprocal tariffs', the immediate aftermath of which saw stock prices and government bond yields falling and introduced further uncertainty over the economic outlook.

Credit review: In October, Arlingclose revised its advised recommended maximum unsecured duration limit on most banks on its counterparty list to six months. Duration advice for the remaining five institutions, including the newly added Lloyds Bank Corporate Markets, was kept to a maximum of 100 days. This advice remained in place at the end of the period.

Fitch revised the outlook on Commonwealth Bank of Australia (CBA) to positive from stable while affirming its long-term rating at AA-, citing its consistent strong earnings and profitability.

Other than CBA, the last three months of the period were relatively quiet on the bank credit rating front, with a small number of updates issued for a number of lenders not on the Arlingclose recommended counterparty list.

On local authorities, S&P assigned a BBB+ to Warrington Council, having previously withdrawn its rating earlier in 2024, and also withdrew its rating for Lancashire County Council due to the council deciding to stop maintaining a credit rating. However, it still holds a rating with Fitch and Moody's. Moody's withdrew its rating of Cornwall Council after it chose to no longer maintain a rating.

Credit default swap prices generally trended lower over the period but did start to rise modestly in March, but not to any levels considered concerning. Once again, price volatility over the period remained generally more muted compared to previous periods.

Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

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Appendix 2

Borrowing and Investment Portfolio at 31st March 2025

Long Term Borrowing

Name	Principal £	Interest Rate	Start Date	Maturity Date
Barclays Bank PLC (NRFB)	5,000,000	4.700%	24/09/2004	24/09/2074
Dexia Credit Local	5,000,000	4.395%	05/11/2008	07/11/2078
Public Works Loan Board	5,000,000	4.390%	10/05/2010	15/07/2025
Public Works Loan Board	1,560,207	1.420%	08/08/2002	08/03/2027
Public Works Loan Board	3,000,000	4.875%	10/08/2009	15/04/2027
Public Works Loan Board	1,190,477	2.160%	22/02/2017	15/05/2027
Public Works Loan Board	266,591	2.260%	02/12/2002	30/09/2027
Public Works Loan Board	4,000,000	4.010%	24/11/2017	31/03/2028
Public Works Loan Board	5,000,000	1.530%	06/10/2017	15/09/2028
Public Works Loan Board	5,000,000	2.360%	13/10/2009	15/06/2029
Public Works Loan Board	5,000,000	1.520%	17/09/2019	31/03/2030
Public Works Loan Board	5,000,000	2.430%	21/07/2017	30/09/2030
Public Works Loan Board	5,000,000	2.400%	23/09/2019	31/03/2031
Public Works Loan Board	5,000,000	4.250%	03/02/2020	30/09/2031
Public Works Loan Board	5,000,000	4.250%	26/07/2017	30/09/2031
Public Works Loan Board	5,000,000	4.750%	24/08/2009	24/08/2032
Public Works Loan Board	410,581	2.510%	21/11/2005	21/09/2032
Public Works Loan Board	207,974	4.750%	11/03/2004	11/09/2033
Public Works Loan Board	5,000,000	4.950%	24/11/2017	30/09/2033
Public Works Loan Board	410,581	4.400%	01/04/2004	01/03/2034
Public Works Loan Board	410,581	4.500%	08/07/2004	08/03/2034
Public Works Loan Board	2,000,000	2.320%	19/07/2006	15/11/2034
Public Works Loan Board	2,000,000	2.380%	27/11/2007	15/01/2035
Public Works Loan Board	2,000,000	4.450%	25/03/2019	31/03/2036
Public Works Loan Board	3,000,000	4.350%	12/03/2019	31/03/2036
Public Works Loan Board	2,000,000	4.400%	14/07/2006	14/08/2036
Public Works Loan Board	4,000,000	4.430%	19/07/2006	15/11/2036
Public Works Loan Board	2,337,000	4.400%	02/08/2006	15/05/2037
Public Works Loan Board	410,582	4.150%	21/01/2008	21/09/2037
Public Works Loan Board	2,000,000	2.280%	11/08/2006	15/12/2037
Public Works Loan Board	3,000,000	4.420%	03/11/2006	15/06/2038
Public Works Loan Board	3,000,000	1.860%	30/05/2019	31/03/2039
Public Works Loan Board	2,000,000	2.410%	24/01/2008	15/03/2040
Public Works Loan Board	5,000,000	4.420%	23/09/2019	31/03/2040
Public Works Loan Board	2,000,000	2.420%	25/03/2019	31/03/2040
Public Works Loan Board	2,000,000	4.300%	07/01/2008	15/03/2041
Public Works Loan Board	2,000,000	4.100%	25/03/2019	31/03/2041
Public Works Loan Board	410,581	4.100%	13/04/2006	13/09/2041
Public Works Loan Board	2,000,000	2.290%	28/09/2006	15/12/2041
Public Works Loan Board	2,000,000	4.350%	03/11/2006	15/12/2041
Public Works Loan Board	2,980,393	2.240%	26/07/2017	30/09/2042
Public Works Loan Board	4,000,000	4.350%	25/01/2007	15/10/2042
Public Works Loan Board	5,000,000	4.150%	11/03/2020	31/03/2043

Name	Principal £	Interest Rate	Start Date	Maturity Date
Public Works Loan Board	4,000,000	4.100%	02/03/2007	15/07/2043
Public Works Loan Board	5,000,000	2.140%	08/07/2019	31/03/2044
Public Works Loan Board	3,000,000	4.480%	10/08/2009	15/04/2044
Public Works Loan Board	2,000,000	2.350%	27/03/2019	31/03/2045
Public Works Loan Board	3,000,000	4.150%	13/12/2005	14/02/2046
Public Works Loan Board	2,000,000	2.350%	27/03/2019	31/03/2046
Public Works Loan Board	5,000,000	2.540%	10/07/2018	31/03/2047
Public Works Loan Board	410,581	4.200%	23/05/2006	30/09/2047
Public Works Loan Board	5,000,000	2.520%	05/06/2018	15/01/2048
Public Works Loan Board	3,000,000	4.450%	31/01/2007	15/03/2048
Public Works Loan Board	6,000,000	2.610%	24/11/2017	31/03/2049
Public Works Loan Board	4,000,000	4.300%	08/03/2007	15/07/2049
Public Works Loan Board	5,000,000	1.720%	05/09/2019	31/03/2050
Public Works Loan Board	2,000,000	4.300%	08/03/2007	15/07/2050
Public Works Loan Board	2,000,000	4.050%	23/12/2005	14/02/2051
Public Works Loan Board	410,581	4.100%	19/12/2005	19/03/2051
Public Works Loan Board	5,000,000	2.210%	11/03/2020	31/03/2051
Public Works Loan Board	615,872	4.200%	19/09/2006	19/09/2051
Public Works Loan Board	410,581	4.050%	29/09/2006	29/09/2051
Public Works Loan Board	410,581	4.200%	31/08/2006	30/09/2051
Public Works Loan Board	410,581	4.400%	28/04/2006	30/09/2051
Public Works Loan Board	4,000,000	4.100%	07/12/2006	15/01/2052
Public Works Loan Board	1,231,744	4.250%	16/01/2007	16/03/2052
Public Works Loan Board	2,000,000	4.500%	20/08/2007	15/09/2052
Public Works Loan Board	5,000,000	2.530%	24/11/2017	31/03/2053
Public Works Loan Board	1,231,744	4.400%	29/06/2006	29/09/2053
Public Works Loan Board	5,000,000	1.950%	17/09/2019	31/03/2054
Public Works Loan Board	410,581	4.500%	11/04/2007	11/09/2054
Public Works Loan Board	410,581	3.900%	11/01/2006	11/03/2055
Public Works Loan Board	5,000,000	2.760%	03/02/2020	31/03/2055
Public Works Loan Board	410,581	4.150%	13/12/2005	13/09/2055
Public Works Loan Board	205,291	4.250%	19/07/2006	19/09/2055
Public Works Loan Board	615,872	4.250%	25/08/2006	25/09/2055
Public Works Loan Board	5,000,000	1.810%	23/09/2019	31/03/2056
Public Works Loan Board	8,000,000	2.570%	16/11/2017	31/03/2057
Public Works Loan Board	5,000,000	1.850%	16/09/2019	31/03/2058
Public Works Loan Board	4,000,000	2.550%	16/11/2017	31/03/2058
Public Works Loan Board	3,000,000	4.380%	10/09/2008	15/04/2058
Public Works Loan Board	6,000,000	2.900%	06/12/2019	31/03/2059
Public Works Loan Board	5,000,000	2.580%	25/09/2017	15/11/2059
Public Works Loan Board	5,000,000	2.500%	19/10/2017	15/12/2059
Public Works Loan Board	5,000,000	2.500%	19/10/2017	15/12/2060
Public Works Loan Board	5,000,000	2.370%	15/08/2017	31/03/2061
Public Works Loan Board	5,000,000	2.540%	22/02/2017	15/05/2061
Public Works Loan Board	6,000,000	2.510%	16/11/2017	31/03/2062
Public Works Loan Board	5,000,000	2.480%	28/02/2017	15/05/2062
Public Works Loan Board	2,000,000	2.540%	26/09/2017	15/11/2062

Name	Principal £	Interest Rate	Start Date	Maturity Date
Public Works Loan Board	2,000,000	2.360%	26/02/2019	31/03/2063
Public Works Loan Board	5,000,000	2.350%	12/04/2017	15/05/2063
Public Works Loan Board	5,000,000	1.900%	13/08/2019	31/03/2064
Public Works Loan Board	5,000,000	2.270%	19/04/2017	15/06/2064
Public Works Loan Board	3,000,000	2.520%	27/09/2017	15/11/2064
Public Works Loan Board	6,000,000	2.490%	16/11/2017	31/03/2065
Public Works Loan Board	5,000,000	2.280%	26/06/2017	15/08/2065
Public Works Loan Board	2,000,000	2.520%	27/09/2017	15/11/2065
Public Works Loan Board	3,000,000	2.370%	21/02/2019	31/03/2066
Public Works Loan Board	6,000,000	2.490%	16/11/2017	30/09/2066
Public Works Loan Board	5,000,000	2.440%	26/07/2017	30/09/2066
Public Works Loan Board	5,000,000	2.500%	06/10/2017	15/09/2067
Public Works Loan Board	5,000,000	2.150%	06/06/2019	31/03/2068
Public Works Loan Board	4,000,000	2.250%	28/05/2019	31/03/2068
Public Works Loan Board	5,000,000	1.740%	23/09/2019	31/03/2069
Public Works Loan Board	5,000,000	1.730%	19/08/2019	31/03/2069
	350,780,724			

Long Term Investments

Name	Principal £	Interest Rate	Start Date	Maturity Date
European Investment Bank	3,000,000	4.439%	20/03/2024	15/04/2039
BNG Bank INV	2,000,000	4.284%	20/03/2024	15/05/2024
European Investment Bank	5,000,000	4.500%	03/06/2024	07/03/2044
International Bank for Reconstruction & Development	3,000,000	5.750%	18/07/2024	07/06/2032
European Investment Bank	2,000,000	4.500%	18/07/2024	07/03/2044
Borough of Kingston Upon Hull	5,000,000	4.600%	06/11/2024	08/11/2027
CCLA Property Fund	5,000,000	5.027%	n/a	n/a
	25,000,000			

Short Term Investments

Name	Principal £	Interest Rate	Start Date	Maturity Date
Medway Council	5,000,000	4.200%	24/02/2023	04/04/2025
London Borough of Waltham Forest	5,000,000	4.850%	20/08/2024	20/05/2025
Aberdeen City Council	2,000,000	5.150%	07/06/2024	06/06/2025
Blackpool Council	5,000,000	4.850%	30/08/2024	30/06/2025
North Northamptonshire Council	5,000,000	5.600%	09/01/2025	09/07/2025
Newport City Council	5,000,000	4.800%	09/09/2024	08/09/2025
Ashford Borough Council	5,000,000	5.550%	11/12/2024	11/09/2025
Chorley Borough Council	5,000,000	4.750%	30/09/2024	29/09/2025
Goldman Sachs Money Market Fund	1,000,000	4.433%	n/a	n/a
CCLA Public Sector Deposit Fund	50,000	5.218%	n/a	n/a
Aviva Investors Money Market Fund	50,000	4.568%	n/a	n/a
Legal & General Money Market fund	50,000	4.506%	n/a	n/a
	38,150,000			

Cash & Cash Equivalents

Name	Principal £	Interest Rate	Start Date	Maturity Date
National Westminster Bank	267,859	3.250%	n/a	n/a
	267,859			

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