

AGENDA ITEM.

**REPORT TO AUDIT &
GOVERNANCE COMMITTEE**

28th SEPTEMBER 2026

**REPORT OF THE CHIEF
FINANCIAL OFFICER**

TREASURY MANAGEMENT STRATEGY – ANNUAL REPORT 2025/26

SUMMARY

This report informs Members of the performance against the treasury management and prudential indicators set in the Treasury Management Strategy approved by Council in February 2025.

REASONS FOR PRODUCING THIS REPORT

The Council operates under 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 a treasury management annual report after the end of each financial year.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Introduction

The Council's Treasury Management Strategy for 2025/26 was approved at Council on the 19th February 2025. 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.

The 2021 Prudential Code includes a requirement for local authorities to provide a Capital Strategy; a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 19th February 2025.

External Context

The Council's treasury management advisors Arlingclose have provided the following commentary on the external context.

Economic background: The financial year was largely dominated by two periods of significant uncertainty and volatility. The first being the US trade tariff 'Liberation Day' in April 2025 and the second was the US/Israel war with Iran at the end of February 2026.

After the initial fallout from US trade tariffs, the following months saw some improvements as equity markets made gains and bond yields eased modestly. However, in the UK, this trend in bond yields reversed somewhat as an uncertain economic outlook together with concerns around the government's fiscal position and autumn Budget saw 'term premia' rise as investors demanded a higher return for holding gilts.

The Budget itself was more muted than had been expected. Despite a weak economic outlook, this helped UK markets perform better with gilt yields trending downwards, inflation easing, and expectations for cuts in Bank of England (BoE) Bank Rate increasing.

The end of February 2026 saw the start of the war between US/Israel and Iran. The conflict caused oil and other commodity prices to rise sharply as the shipping lanes in the region became effectively closed, restricting global oil supply. At the end of the period, the economic outlook remained highly uncertain in terms of its impact on inflation as well as countries' fiscal and monetary policy conditions around the globe.

Prior to the start of the war, headline UK consumer price inflation (CPI) had generally been trending downwards, albeit the 3% in February 2026 was unchanged from January. Core CPI also stayed put at 3.1%. Inflation was expected to fall further over the coming months to the BoE's 2% target, but the war changed this. Inflation is now expected to rise again, but how quickly and by how much depends on the duration of the war and how long commodity prices are elevated.

The Office for National Statistics (ONS) reported the UK economy expanded by 0.1% in Q4 2025. This followed previous modest gains of 0.2% in Q2 and by 0.1% in Q3. Of the subsequent monthly figures, the ONS estimated that GDP showed no growth in January 2026. As this is from before the war started the impact on growth will not be seen formally in the data for a couple more months.

While the most recent labour market figures were slightly better than expected, the general trend has been one of persistent weakness. In the three months to January 2026, the unemployment rate rose to 5.2% (from 5.1%), while the employment rate held at 75.1%. Despite inflation being expected to rise in the coming months, labour market conditions remain loose and so any upward pressure on wages from general inflation is likely to be tempered by the weaker labour market environment.

After cutting Bank Rate to 3.75% in December 2025, the BoE's Monetary Policy Committee (MPC) voted 5-4 to hold rates in February 2026 and then unanimously to do so again in March. Until the war started, financial markets were expecting Bank Rate to be cut to 3.5% at the March meeting. However, the conflict in the Middle East quickly changed this. The MPC noted the risks to both inflation and growth and indicated they could move rates either up or down depending on the conditions. Financial markets quickly responded to this by pricing in rate hikes.

Following the March MPC meeting, Arlingclose, the authority's treasury adviser, revised its central interest rate view and now predicts Bank Rate will be held at 3.75%. However, the conflict makes the outlook for rates highly uncertain. In the short-term the risks are to the upside with the chance of higher Bank Rate should the MPC decide it wishes to quickly quash potential second-round effects from higher inflation. Further out, if Bank Rate is hiked quickly, the pace and magnitude of subsequent cuts could take it far lower than was previously anticipated as policymakers add significant stimulus to a much weaker economic growth outlook.

Financial markets: After declining sharply early in the financial year following the announcement of US tariffs, sentiment in financial markets had improved but equity and bond markets remained volatile throughout. However, the latter part of the period was dominated by the US/Israel war with Iran, which saw equity markets fall sharply, and bond yields rise as concerns over the inflationary impact from sharply higher oil and other commodity prices outweighed the flight-to-quality into government bonds often seen in conflicts.

Equity markets had been registering gains after the declines during the April sell-off, but the war reversed this and markets saw another sharp drawdown. Both the FTSE 100 and 250 fell by around 10% over the month from the start of the conflict to the end of the financial year.

The period saw significant volatility in gilt yields. The 10-year UK benchmark gilt yield started the year at 4.65% and ended at 4.86%. However, over this time the 10-year yield hit a low of 4.23% and a high of 4.95% in the space of a month. It was a similar picture for the 20-year gilt which started at 5.18% and ended at 5.45% with a low and high of 4.92% and 5.55% respectively. The Sterling Overnight Rate (SONIA) averaged 4.01% over the 12 months to 31st March.

Credit review: Arlingclose maintained its recommended maximum unsecured duration limit on most of the banks on its counterparty list at 6 months. The other banks remain on 100 days.

After spiking in April 2025 following the US trade tariff announcements, UK credit default swap (CDS) prices had trended down before picking up modestly in October and November. After declining again in December and into the new calendar year, they rose sharply once again when the war in the Middle East started. They were still elevated at the end of the period, but prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.

Financial market volatility is expected to remain, and CDS 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.

Local Context

On 31st March 2026 the Council had net borrowing of £138.32m 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), 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

	31.3.25 Actual £m	2025/26 Movement £m	31.3.26 Actual £m
General Fund CFR	195.86	6.41	202.27
Less: Other debt liabilities	(9.15)	0.01	(9.14)
Borrowing CFR	186.71	6.42	193.13
Less: Usable reserves	(86.15)	(2.47)	(88.62)
Less: Working capital	10.87	22.95	33.82
Net Borrowing / (Investments)	111.43	26.89	138.32

The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. At the year end the Council had an under borrowed position of £24m.

The treasury management position on 31st March 2026 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.25 Balance £m	2025/26 Movement £m	31.3.26 Balance £m
Long-term borrowing	86.07	7.56	93.63
Short-term borrowing	64.71	10.64	75.35
Total borrowing	150.78	18.20	168.97
Long-term investments	13.28	(0.00)	13.28
Short-term investments	0.00	0.00	0.00
Cash and cash equivalents	26.07	(8.70)	17.37
Total investments	39.35	(8.70)	30.65
Net Borrowing / (Investments)	111.43	26.89	138.32

During the year, long term loans increased by £7.56m and short-term loans by £10.64m. This along with the reduction in cash and cash equivalents of £8.7m resulted in a net increase in borrowing of £26.89m. Details of the new long-dated loans are shown in the table below.

Table 2a: Long-dated Loans borrowed

Long-dated Loans borrowed	Amount £m	Rate %	Period (Months)
PWLB EIP Loan - Oct 2025	20.0	4.57	48
PWLB Maturity Loan - Feb 2025	10.0	4.59	48
PWLB EIP Loan - Feb 2025	10.0	4.31	18
Total borrowing	40.0		

Overall total borrowing increased from £150.78m as on 31st March 2025 to £168.97m as at 31st March 2026.

Dedicated Schools Grant

There is a statutory override in England (capital finance regulation 30L) that requires local education authorities that incur expenditure on their school's budget in excess of the Dedicated Schools Grant (DSG) received to charge this deficit to an unusable reserve instead of their revenue account. Cash is therefore leaving authorities' bank accounts on schools expenditure without revenue cash coming in to pay for it. Other things being equal, this creates a cash shortfall.

At the end of the 2025/26 financial year the Council had an overall accumulative deficit of £17.1m on its DSG. The Council has to cash flow this deficit, and any borrowing requirements and costs associated with borrowing incurred include this deficit. The cost of borrowing cannot be charged to the DSG under current regulations, so these costs are charged to the Council's general fund. The cost of this borrowing in year was up to £500k.

Borrowing Update

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 unless these loans are for refinancing purposes. The Authority has no new plans to borrow to invest primarily for financial return.

The Authority currently holds £14.890m in commercial investments (2024-25 £18.322m) that were purchased prior to the change in the CIPFA Prudential Code. The Authority, as part of the updated code, in the future will need to review the options for exiting these investments if there is an economical case to do so.

Borrowing Strategy and Activity

As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriate risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

Gilt yields slightly decreased over most of the period; reflecting expectations of lower interest rates, a tepid economy and to some extent an improvement in the UK governments fiscal

position following tax rises in the autumn budget. Subsequent to the war in the Middle East however, gilt yields saw a rapid rise to above the yield at the beginning of the financial year.

The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.72% at the end. The lowest available 10-year maturity certainty rate was 5.13% and the highest was 5.88%. Rates for 20-year maturity loans ranged from 5.71% to 6.37% during the period, and 50-year maturity loans from 5.46% to 6.24%. The cost of short-term borrowing from other local authorities has been similar to or a little above Base Rate for most of the period, with interest rates between 4.0% and 4.5%. However, as is commonly seen, rates rose higher towards the end of the financial year, with rates of 5.0% - 7.0% being seen.

At 31st March 2026 the Council held £168.97m of loans, an increase of £18.19m from the previous year. The year-end borrowing position and the year-on-year change is shown in Table 3 below.

Table 3: Borrowing Position

	31.3.25 Balance £m	2025/26 Movement £m	31.3.26 Balance £m	Average Rate %	31.3.26 WAM* years
Public Works Loan Board	73.39	37.77	111.16	4.74%	3.0
Banks (LOBO)	16.00	0.00	16.00	4.87%	11.4
Local Authorities	61.39	(19.58)	41.81	4.70%	0.0
Banks (fixed-term)	0.00	0.00	0.00	0.00%	0.0
Total borrowing	150.78	18.19	168.97	4.77%	3.3

**Weighted average maturity*

On 1st April 2025 the Authority held £16m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. As market interest rates have risen, there is an increased probability of call options on the LOBOs being exercised by lenders

Treasury Management Investment Activity

The CIPFA Treasury Management Code now defines treasury management investments as those investments which 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.

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 fluctuated due to timing differences between income and expenditure. The year-end investment position is shown in Table 4 below.

Table 4: Treasury Investment Position

	31.3.25 Balance	Net Movement	31.3.26 Balance	31.3.25 Income Return
	£m	£m	£m	%
Banks & building societies	0.57	-0.51	0.06	3.70
Government (incl. LA's)	0.00	0.00	0.00	0.00
Money Market Funds	22.30	-5.00	17.30	3.85
Pooled Property funds	13.28	-0.01	13.27	4.13
Total investments	36.15	-5.52	30.63	

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 investments before seeking the highest 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.

The Authority expects to be a long-term borrower, and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income

Bank Rate reduced from 4.50% to 4.25% in May 2025, followed by a further reduction to 4.00% in August 2025 and to 3.75% in December 2025. Short term interest rates have largely followed these levels. The rates on DMADF deposits ranged between 3.78% and 4.20% and money market rates between 4.04% and 4.26%.

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

	Credit Score	Credit Rating	Bail-in Exposure	WAM* (days)	Rate of Return
31.03.2025	4.58	A+	87%	2	4.28%
30.06.2025	4.58	A+	87%	2	4.48%
30.09.2025	4.69	A+	100%	1	4.36%
31.12.2025	4.67	A+	100%	1	4.41%
31.03.2026	4.69	A+	100%	2	4.16%
Similar LA's (31.03.26)	4.63	A+	78%	80	4.69%
All LAs (31.03.26)	4.60	A+	64%	10	4.46%

*Weighted average maturity

Externally Managed Pooled Funds: £13.27m (based on 31.3.26 valuation) of the Council's investments are held in an externally managed strategic pooled property fund where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated a dividend return of £0.620m (4.13%) (£0.664m 2024-25) which is used to support services in year.

UK commercial property experienced a more stable backdrop than in the most difficult period following the sharp rise in yields in 2022 and 2023. Lower interest rate expectations and a firmer tone in markets for much of the year helped support valuations, although capital values were broadly flat overall. Income remained the main driver of returns, with rental income providing a relatively resilient contribution.

The change in the Authority's funds' capital values and income earned over the 12-month period is shown in Table 4.

Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns will exceed cash interest rates.

Statutory Override: Further to consultations in April 2023 and December 2024 the Ministry for Housing Communities and Local Government (MHCLG) wrote to finance directors in England in February 2025 regarding the statutory override on accounting for gains and losses in pooled investment funds. The statutory override has been extended up until the 1st April 2029 for investments already in place before 1st April 2024. The override does not apply to any new investments taken out on or after 1st April 2024. The Authority had set up a reserve to mitigate the impact of the statutory override not being extended. Given current budgetary pressures and the extension of the override, the authority decided to release £0.962m from this reserve in the prior financial year.

Non-Treasury Investments

The definition of investments in the Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority 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).

Investment Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) also includes within the definition of investments all such assets held partially or wholly for financial return.

The Council also held £15.109m of such investments in;

- directly owned property £14.890m
- loans to local businesses £0.015m
- other £0.204m

These investments generated £0.917m of investment income for the Council after taking account of direct costs in 2025/26, representing a rate of return of 6.16%.

Compliance

The Chief Financial 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 investment limits is demonstrated below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in Table 6 below.

Table 6: Debt and the Authorised Limit and Operational Boundary

	2025/26 Maximum	31.3.26 Actual	2025/26 Operational Boundary £m	2025/26 Authorised Limit £m	Complied
Borrowing	168.97	168.97	224.50	239.40	✓
PFI & finance leases	9.14	9.14	9.20	9.20	✓
Total debt	178.11	178.11	233.70	248.60	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt was above the operational boundary for 0 days during 2025/26. Compliance with specific investment limits is demonstrated in Table 7 below.

Table 7: Investment Limits

	2025/26 Maximum	31.3.26 Actual	2025/26 Counterparty Limit	2025/26 Financial Limit	Complied
The UK Government	£32.9m	£0.0m	Unlimited	N/A	✓
Local authorities & other government entities	£0m	£0m	£5m	Unlimited	✓
Secured investments	£0m	£0m	£5m	Unlimited	✓
Banks (unsecured)	£1.82m	£0.057m	£2.5m	Unlimited	✓
Building societies (unsecured)	£0m	£0m	£2.5m	£5m	✓
Registered providers (unsecured)	£0m	£0m	£2.5m	£12.5m	✓
Money market funds	£25m	£17.3m	£5m	Unlimited	✓
Strategic pooled funds	£13.31m	£13.28m	£15m	£25m	✓
Real estate investment trusts	£0m	£0m	£5m	£12.5m	✓
Other investments	£0m	£0m	£2.5m	£5m	✓

** see table 4 above for actual values with individual counterparties as at 31st March 2025.*

Treasury Management Prudential Indicators

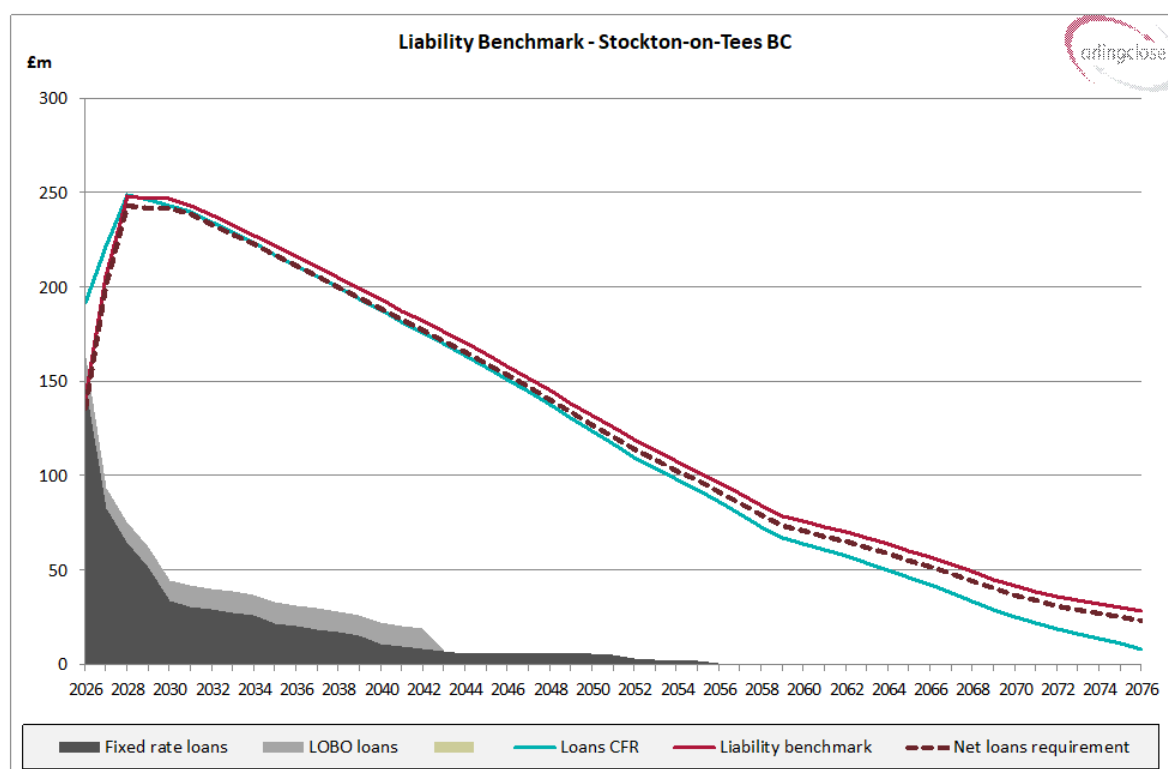
As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

Maturity Structure of Borrowing: This new indicator compares the Authority'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 £5m required to manage day-to-day cash flow

	31.3.26 Actual £m	31.3.27 Forecast £m	31.3.28 Forecast £m
Loans CFR	191.8	221.6	249.2
Less: Balance sheet resources	-55.9	-20.9	-5.8
Net loans requirement	135.9	200.7	243.4
Plus: Liquidity allowance	5	5	5
Liability benchmark	140.9	205.7	248.4
Existing borrowing	-166.5	-93.6	-75.8

Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £249.2m a year, minimum revenue provision on new capital expenditure based on a 25 - 50 year asset life and income, expenditure and reserves all increasing by inflation of 2.5% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing.



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:

	31.3.26 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	45%	50%	0%	✓
12 months and within 24 months	11%	60%	0%	✓
24 months and within 5 years	20%	70%	0%	✓
5 years and within 10 years	6%	80%	0%	✓
10 years and above	19%	100%	0%	✓

Long-Term Treasury Management Investments: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2025/26	2026/27	2027/28
Actual principal invested beyond year end	£13.28m	£13.28m	£13.28m
Limit on principal invested beyond year end	£60m	£50m	£40m
Complied	✓	✓	✓

Long-term investments with no fixed maturity date include strategic pooled funds but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Prudential Indicators Outturn 2025/26

Introduction: The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the 2021 Prudential Code sets out the following indicators that must be set and monitored each year.

The Authority measures and manages its capital expenditure, borrowing and commercial and service investments with references to the following indicators.

Capital Expenditure: The Council's capital expenditure and financing is summarised as follows.

Capital Expenditure and Financing	2025/26 Estimate £m	31.03.26 Actual £m	Difference £m
Total Expenditure	94.53	51.2	(43.35)
Capital Receipts	2.62	0.62	(2.00)
Grants & Contributions	62.0	43.57	(18.46)
Revenue	6.8	0.07	(6.73)
Borrowing	23.1	6.93	(16.16)

Total Financing	94.53	51.19	(43.35)
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Capital Financing Requirement: The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with minimum revenue provisions (MRP).

Capital Financing Requirement	2025/26 Estimate £m	31.03.26 Actual £m	Difference £m
General Fund	209.28	202.27	(7.01)

There was a difference of £7.01m on the CFR from the original estimate due to a variance against the in year spend profile within the capital programme.

Actual Debt: The Council's actual debt at 31st March 2026 was as follows:

Debt	31.03.26 Estimate £m	31.03.26 Actual £m	Difference £m
Borrowing	181.47	168.97	(12.50)
Finance leases	6.75	6.59	(0.16)
PFI liabilities	2.45	2.55	0.10
Total Debt	190.67	178.11	(12.56)

Gross Debt and the Capital Financing Requirement: Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below;

Debt and CFR	31.03.26 Estimate £m	31.03.26 Actual £m	Difference £m
Total debt	190.67	178.11	(12.56)
Capital financing requirement	209.28	202.27	(7.01)
Headroom / (Under Borrowed)	(18.61)	(24.16)	(5.55)

Total debt during the year remained below the CFR. At the 31st March the Council was under borrowed by £24.16m.

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary and Total Debt	31.03.26 Boundary £m	31.03.26 Actual Debt £m	Complied
Borrowing	224.50	168.97	✓
Other long-term liabilities	9.20	9.14	✓
Total Debt	233.70	178.11	✓

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the *Local Government Act 2003*. It's the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit and Total Debt	31.03.26 Limit £m	31.03.26 Actual Debt £m	Complied
Borrowing	239.40	168.97	✓
Other long-term liabilities	9.20	9.14	✓
Total Debt	248.60	178.11	✓

Proportion of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income. The table below shows the position as at 31st March 2026.

Ratio of Financing Costs to Net Revenue Stream	31.03.26 Estimate %	31.03.26 Actual %	Difference %
Financing Costs £m	9.021	7.777	-1.244
Proportion of net revenue stream	3.2%	2.7%	-0.5%

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