

Audit and Governance Committee

24 September 2026



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Title	Treasury Management Review Quarter 1 2026/27
Purpose of the report	To note the report for information
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Darren Carter, Director of Finance
Report author	Anna Barefoot, Capital and Treasury Lead
Lead Councillor	Councillor McEwan, Lead Councillor for Corporate Services and Resources
Corporate priority	Not applicable, but still requires a decision
Recommendations	1. That the Committee notes the content of the Treasury Management Review Quarter 1 report for 2026/27.

1. Executive Summary

- 1.1. The Council adopted a Treasury Management Strategy and an Annual Investment Strategy for 2026/27 at its meeting on 16th February 2026.
- 1.2. The purpose of this report is to update Members on the activity of the Treasury Management function during the first quarter of 2026/27 for the period 1st April 2026 to 30th June 2026.
- 1.3. The Bank of England held the base interest rate at 3.75% in the meeting on 30th April, and again on 18th June 2026.
- 1.4. Outside of the reporting period, the rate was held at 3.75% on 30th July 2026.
- 1.5. The Council remains significantly under borrowed against its Capital Financing Requirement and is continuing to follow the approved borrowing strategy of deferring any potential long-term borrowing whilst interest rates remain at current levels and is instead utilising short or temporary borrowing from the local authority market as required. No long-term loans (those over one year in duration) have been taken out during the year to date.
- 1.6. The Council is currently forecasting a adverse variance of £1.283m on investment income for the year. Additionally, there is a forecast positive variance of £1.083m on interest payable. These variances were reported to Policy Committee on 16th September 2026 as part of the [2026/27 Quarter 1 Performance and Monitoring Report](#).
- 1.7. The Council's Borrowing and Investment portfolios are attached as appendices 2 and 3 to the report.
- 1.8. The Council continues to operate within all of its treasury indicators, and none have been breached during the year to date.

2. Policy Context

- 2.1. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly.
- 2.2. This report facilitates that process providing details of the Council's treasury management activity for the first quarter of 2026/27.

3. Interest Rates

Monetary Policy Committee (MPC) Meetings

- 3.1. The Bank of England's Monetary Policy Committee (MPC) voted to hold the base rate at 3.75% in both the 30th April meeting and again on 18th June 2026.
- 3.2. Outside of the reporting period, the rate was held at 3.75% on 30th July 2026.

Interest Rate Forecast

- 3.3. The Council has appointed MUFG Corporate Markets as its treasury management advisors and part of their service is to assist the Council to formulate a view on interest rate and Public Works Loan Board (PWLb) forecasts.
- 3.4. The most recent interest rate forecast, received on 3rd August 2026, set out a view that short term rates were expected to remain at the current level throughout this financial year and into the next. MUFG forecast a rate cut in the second half of 2027 with Bank Rate falling to a low of 3.25% by the start of 2028.

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

- 4.1. The Treasury Management Strategy Statement (TMSS) for 2026/27 was approved by Council on 16th February 2026.
- 4.2. There are no policy changes proposed to the TMSS for 2026/27. This report sets out the Council's position compared to the TMSS considering budgetary changes already approved and revised in-year forecasts of capital expenditure.

5. The Council's Capital Position (Prudential Indicators)

Prudential Indicators for Capital Expenditure

- 5.1. The Council is required to ensure that all its capital expenditure, investments and borrowing decisions are prudent and sustainable. The prudential indicators for capital expenditure set out whether the Council is delivering within its approved budgets.
- 5.2. Tables 1 and 2 below show the Council's forecast capital expenditure compared to the Capital Programme agreed in February 2026 (Original Budget) and the Capital Programme as at Quarter 1 (Revised Budget) as approved by Policy Committee as part of the 2026/27 Quarter 1 Performance and Monitoring Report in September 2026.
- 5.3. The indicators show that the Council is forecasting a positive net variance against the approved Capital Programme budget of £(0.310)m for the General Fund.

Table 1. General Fund Capital Programme

General Fund	2026/27 Original Budget	2026/27 Revised Budget Q1	2026/27 Full Year Forecast (as at 30th June 2026)	Variance
	£m	£m	£m	£m
Community & Social Care Services	2.122	5.689	5.689	0.000
Children's Services	1.338	0.991	0.991	
Economic Growth & Neighbourhood Services	28.078	44.835	44.835	0.000
Economic Growth & Neighbourhood Services – Education Schemes	17.678	11.066	11.066	0.000
Resources	3.389	2.193	2.193	0.000
Corporate	3.600	2.314	2.004	0.310
Total General Fund	56.205	67.088	66.778	0.310

5.4. The indicators show that the Council is forecasting to spend to budget against the approved HRA Capital Programme budget of £61.756m.

Table 2. HRA Capital Programme

Housing Revenue Account	2026/27 Original Budget	2026/27 Revised Budget Q1	2026/27 Full Year Forecast (as at 30th June 2026)	Variance
	£m	£m	£m	£m
Housing Revenue Account	67.310	61.745	61.745	0.000
Total Housing Revenue Account	67.310	61.745	61.745	0.000

5.5. Further details on significant variances on individual capital schemes are reported to Policy Committee as part of the Quarterly Performance and Monitoring Reports.

Changes to the Financing of the Capital Programme

5.6. Tables 3 and 4 below identify the expected financing arrangements of the Council's capital expenditure plans. The Borrowing Requirement increases the underlying indebtedness of the Council by increasing the Capital Financing Requirement (CFR), although this will be reduced in part by revenue contributions for the repayment of debt (the Minimum Revenue Provision).

Table 3. Financing of the General Fund Capital Programme

General Fund	2026/27 Original Budget	2026/27 Revised Budget Q1	2026/27 Full Year Forecast (as at 30th June 2026)
	£m	£m	£m
Total Capital Expenditure	56.205	67.088	66.778
Financed by:			
Capital Receipts	(2.943)	(5.370)	(5.060)
Capital Grants and other Contributions	(30.214)	(36.068)	(36.068)
Direct Revenue Financing	(0.169)	(0.289)	(0.289)

Total Financing (excluding Borrowing)	(33.326)	(41.727)	(41.417)
Net Borrowing Requirement	22.879	25.361	25.361

Table 4. Financing of the HRA Capital Programme

Housing Revenue Account	2026/27 Original Budget	2026/27 Revised Budget Q1	2026/27 Full Year Forecast (as at 30th June 2026)
	£m	£m	£m
Total Capital Expenditure	67.310	61.745	61.745
Financed by:			
Capital Receipts	(8.207)	(1.661)	(1.661)
Capital Grants and other Contributions	(14.327)	(20.405)	(20.405)
Capital Reserves	(26.354)	(18.186)	(18.186)
Direct Revenue Financing	0.000	0.000	0.000
Total Financing (excluding Borrowing)	(48.888)	(40.252)	(40.252)
Net Borrowing Requirement	18.422	21.493	21.493

Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

- 5.7. Table 5 shows the Council's Operational Boundary and Authorised Limit as approved by Council on 16th February 2026. These prudential indicators cannot be amended without approval from full Council.

Table 5. Operational Boundary & Authorised Limit

	£m
Operational Boundary (approved 16 th February 2026)	696.301
Capital Financing Requirement Forecast (as at 30 th June 2026)	676.447
Authorised Limit (approved 16 th February 2026)	736.301
Actual Borrowing (as at 30 th June 2026)	523.500

- 5.8. Table 6 shows the Council's CFR, which is its total underlying indebtedness. Whilst the CFR forecast has increased from £676.301m to £676.447m, due to the revised expenditure and financing forecasts, it remains significantly below the Operational Boundary set by Council in February 2026, therefore, there is no requirement to seek approval to amend the Operational Boundary indicator

Table 6. Capital Financing Requirement and Actual Borrowing

	2026/27 Original Estimate	2026/27 Full Year Forecast (as at 30th June 2026)	2026/27 Actual Position (Q1)
	£m	£m	£m
Borrowing	558.298	515.000	523.500
Other Long-Term Liabilities	25.713	25.713	25.713
Total Debt	584.011	540.713	549.213
CFR – General Fund	397.775	391.318	391.318
CFR - HRA	278.526	285.219	285.219
CFR - Total	676.301	676.447	676.447
Over/(under) Borrowing	(92.290)	(135.734)	(127.234)

- 5.9. The Council's current level of external debt, including borrowing and other long-term liabilities, (as at 30th June 2026) is £523.500m, as set out in Table 6 above. The Council is significantly under borrowed compared to the CFR and is operating significantly within its Operational Boundary.

Limits to Borrowing Activity

- 5.10. Over the medium term, net borrowing (borrowings less investments) should only be for capital purposes. Gross external borrowing should not, except in the short term, exceed the total of the Council's CFR in the preceding year plus the estimates of any additional CFR for 2026/27 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy within the TMSS for borrowing in advance of need which will be adhered to if this proves prudent.
- 5.11. The Authorised Borrowing Limit is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit determined under section 3 (1) of the Local Government Act 2003 and sets the limit beyond which borrowing is prohibited without Member approval. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. Table 5 above sets out the Authorised Limit. The current level of external debt of £523.500 (as of 30th June 2026) is significantly below the Authorised Limit.

6. Borrowing

- 6.1. The Council's estimated Capital Financing Requirement (CFR) for 2026/27 as at 30th June 2026 is £676.447m. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing) to fund capital expenditure. The balance of external and internal borrowing is generally driven by market conditions.
- 6.2. Table 6 above shows that the Council has external borrowing (including prior year borrowing) of £523.500m and has utilised £127.234m of cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring in respect of the Council's cashflow requirements, long-term borrowing requirement and interest rate increases.
- 6.3. Due to the overall cashflow position and the underlying need to borrow for capital purposes (the Capital Financing Requirement), new external short-term borrowing totalled £146.000m over the quarter at an average rate of 4.19%. Loans totalling £141.000m have been repaid during this period giving a total net increase in borrowing of £5.000m.
- 6.4. Additional borrowing of £98.000m has been taken outside of this reporting at an average rate of 4.39%. £60.000m of which is due to be repaid within Q2, with the remaining £38.000m to be repaid in 2027/28.
- 6.5. The Council's Borrowing Portfolio is set out at Appendix 2.

7. Debt Rescheduling

- 7.1. No debt rescheduling (restructuring the terms of any existing loans) took place during Quarter 1 of 2026/27.

8. Compliance with Treasury and Prudential Limits

- 8.1. During the quarter ended 30th June 2026, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2026/27. The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.
- 8.2. All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

9. Annual Investment Strategy

- 9.1. The Treasury Management Strategy Statement (TMSS) for 2026/27, which includes the Annual Investment Strategy, was approved by Council on 16th February 2026. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:
 - Security of capital.
 - Liquidity.
 - Yield.
- 9.2. The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the MUFG Corporate Markets suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

Creditworthiness

- 9.3. There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

Investment Counterparty Criteria

- 9.4. The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

Investment Balances

- 9.5. The average level of funds available for investment purposes during the year to 30th June 2026 was £34.064m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and Capital Programme expenditure. These funds have earned an average rate of 3.82% The comparable performance indicator is the 7 days backward looking Sterling Overnight Index Average (SONIA) un compounded rate, which was 3.73%.
- 9.6. The current level of treasury investments as of 30th June 2026 total £39.411m and are detailed in Appendix 3.
- 9.7. The treasury investments include £15.000m invested in the CCLA Property Fund which is a long-term investment and has received an income of £0.181m over the three-month period to 30th June 2026. The total income return on the fund is 4.85%.
- 9.8. The Council's budgeted General Fund investment return for 2026/27 was £2.465m; the forecast General Fund interest received from investments as of 30th June 2026 was £1.182m, a £1.283m negative variance compared to budget. This budget includes interest in respect of the loans to the Council's wholly owned companies, which are non-treasury investments and are therefore shown separately throughout this report.
- 9.9. The position on interest income must be compared with external interest costs payable. The forecast external interest costs as of 30th June 2026 are £9.500m against a budget of £10.583m; a £1.083m positive variance against the General Fund budget. The net General Fund position on interest receivable/payable is therefore a net negative variance of £0.200m. These variances were reported to Policy Committee on 16th September 2026 as part of the [2026/27 Quarter 1 Performance and Monitoring Report](#).

Approved Limits

- 9.10. Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30th June 2026.
- 9.11. There is no policy changes required to the TMSS. This report sets out the Council's position compared to the TMSS considering the updated economic position, budgetary changes already approved and revised in-year forecasts of capital expenditure.
- 9.12. A full list of investments held as of 30th June 2026 is set out in Appendix 3.

10. Contribution to Strategic Aims

- 10.1. Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical.

- 10.2. Delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

11. Environmental and Climate Implications

- 11.1. The Council's Treasury Management Strategy sets out that the Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's Corporate Plan and values. This would include institutions with material links to:

- human rights abuse (e.g. child labour, political oppression);
- environmentally harmful activities (e.g. pollution, destruction of habitat, fossil fuels);
- socially harmful activities (e.g. tobacco, gambling).

- 11.2. As part of the review carried out in 2022/23 and approved as part of the Annual Investment Strategy for 2025/26, the Council will only invest in countries deemed as "Free" as per the Freedom House Global Freedom rating system.

- 11.3. The Council has provided loans totalling £1.712m to Reading Transport Limited to specifically fund improvements to their existing fleet of buses in respect of hybrid fuel conversions which produce lower emissions.

12. Community Engagement

- 12.1. Budget-related communications and consultations will continue to be a priority over the next three years as we work to identify savings.

13. Equality Implications

- 13.1. None have been identified as arising directly from this report.

14. Other Relevant Considerations

- 14.1. There are none.

15. Legal Implications

- 15.1. None have been identified as arising directly from this report.

16. Financial Implications

- 16.1. The financial implications are set out in the body of the report.

17. Timetable for Implementation

- 17.1. Not applicable.

18. Background Papers

- 18.1. There are none.

Appendices

- 1. MUFG Corporate Markets Economics Review of Quarter One**
- 2. Borrowing Portfolio as at 30th June 2026**
- 3. Investment Portfolio as at 30th June 2026**
- 4. Approved Countries for Investments as at 30th June 2026**

Appendix 1 – MUFG Corporate Markets Economics Review of Quarter One

The first quarter of 2026/27 (April to June) saw:

- The first sign that the economy is starting to falter with a 0.1% month on month (m/m) fall in real Gross Domestic Product (GDP) in April
- The 3 month year on year (myy) rate of average earnings growth excluding bonuses stagnate at 3.4% in April
- Consumer price Index (CPI) inflation stuck at 2.8% in May, with a rise in core CPI inflation from 2.5% to 2.6%
- The Bank of England leave interest rates unchanged at 3.75% as the economy remains weak
- The 10-year gilt yield fluctuate between 5.18% and 4.69%, ending the quarter at 4.76%

The economy performed well in the early stages of the energy shock, with GDP rising by a strong 0.6% quarter on quarter (q/q) between January and March. But that will likely be the high point of the year. Indeed, the 0.1% m/m fall in real GDP in April was the first decline since August 2025 and brought the first signs that the economy is starting to weaken.

Services output contracted by 0.2% m/m in April and activity fell in eight of the 14 services sub-sectors, suggesting the sector is bearing the brunt of the Iran war fallout. Consumer-facing services recorded the biggest monthly fall in output since May 2025 as households cut back on non-energy spending.

Despite a weak headline number, digging deeper there were some signs of strength. Manufacturing output rose by 0.4% m/m but that was probably in part due to a temporary prop from precautionary stock building. Looking ahead, despite the announced ceasefire of the conflict in the Middle East, Capital Economics expect elevated prices to erode the real spending power of households and businesses, leaving growth to stagnate in Q2 and Q3 this year.

Public sector net borrowing of £23.3bn in May was above the Office for Budget Responsibility's (OBR's) forecast of £17.7bn and £5.4bn above May's figure last year. The weak performance in May was mainly due to the strength of government spending, as the rise in Retail Prices Index inflation in March meant debt interest payments were £4.1bn higher than in May 2025, £3.3bn higher than the OBR anticipated in March and the highest in any May on record. Tax receipts of £85.5bn were also below OBR predictions.

The weak performance in May has come before the full impact from the energy price shock hits. The combination of further energy price support, higher inflation and the weakening economy may cause borrowing to rise from 4.2% of GDP in 2025/2026 to 4.4% in 2026/2027, above the OBR's March forecast of 3.6%

The first quarter of 2026 saw significant weakening of the labour market. While the latest PAYE employment figure for May saw a 2,000 rise, that barely offset the big 53,000 drop in April and meant employment was still 64,000 (0.2%) lower than before the start of the Iran war and 0.4% lower than a year ago. Moreover, the number of job vacancies on the single-month measure fell for the fourth month in a row in May and the claimant count saw the largest monthly rise since July 2024.

In addition to some signs of stabilisation in the labour market figures, the recent easing in pay growth appears to have stalled. Despite some further easing in the private sector pay below the 3.25% that the Bank of England considers consistent with CPI inflation falling to target, the 3myy growth rate of average earnings stayed at 4.4% in April.

Like wage growth, CPI inflation held steady in May at 2.8%. There wasn't much support to inflation from energy effects. The 0.3% m/m fall in fuel prices was smaller than the 1.6% m/m drop last May and meant fuel inflation rose only a bit from 23.0% to 24.6%. After rising to 129.6%, heating oil inflation eased to 95.6%. And the 13.5% rise in the Ofgem utility price cap, which will add 0.6 percentage points (ppts) to CPI inflation, doesn't take effect until 1st July. With food & drink inflation easing to its lowest rate since late 2024, higher energy costs do not seem to be boosting other items of the CPI just yet.

The delayed rise in utility prices and the lagged indirect energy effect will lift CPI inflation over the next nine months, perhaps to around 3.6%. Even so, the weak labour market and soft economic backdrop will prevent second-round effects, allowing inflation to fall to 2.0% next year.

There were two monetary policy committee (MPC) meetings in Q2 2026 where Bank rate was yet again left unchanged at 3.75%. Even so, the tone in recent meetings has been increasingly hawkish, with two MPC members voting for a rate hike in June compared to just one in April. While energy prices may be falling, the MPC won't want to unwind some of the tightening in financial conditions priced into the markets. And while there is quite a difference between this energy shock and the one following the Russia-Ukraine war in 2022, the Bank of England will want to steer clear of allegations of taking too long to act. Nevertheless, we suspect a weak labour market, and soft activity will keep rates at 3.75% this year, with cuts thereafter leaving Bank rate at 3.5% by the end of next year and 3.25% by the spring of 2028.

April to June brought more volatility for 10-year Gilt yields. After ending March at 4.92%, the 10-year Gilt shot up to 5.18% in mid-May, its highest level since 2008. While that largely reflects the surge in energy prices, sticky domestic inflation concerns and a rising UK political risk premium also put some upward pressure on the yield at the margin.

Since developments in the US-Iran conflict had led to a fall in oil and gas prices. The 10-year Gilt yield has generally traced that move, falling back to 4.7% in June. This rally in Gilts has also been supported by the Bank of England keeping rates on hold and some reassurance on the fiscal outlook from the replacement of Starmer's leadership with Burnham's. Indeed, while financial markets had been pricing in around four policy rate hikes over the next year or so, they are now pricing in just one rate hike over the coming year. While the full inflationary impact of the war in Iran is yet to be felt, we still think a weaker labour market and subdued growth will prevent second-round effects.

Appendix 2 – Borrowing Portfolio as at 30th June 2026

Class	Type	Start / Purchase Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
Loan	Fixed	13/05/05	25/09/51	PWLB	Maturity	4.1500%	2,000,000.00
Loan	Fixed	11/01/06	25/09/55	PWLB	Maturity	3.9000%	5,000,000.00
Loan	Fixed	23/01/06	25/09/55	PWLB	Maturity	3.7000%	5,000,000.00
Loan	Fixed	23/05/06	25/09/47	PWLB	Maturity	4.2000%	2,000,000.00
Loan	Fixed	19/07/06	25/03/52	PWLB	Maturity	4.2500%	20,000,000.00
Loan	Fixed	20/09/06	25/09/51	PWLB	Maturity	4.2000%	5,000,000.00
Loan	Fixed	28/09/06	25/09/52	PWLB	Maturity	4.0500%	10,000,000.00
Loan	Fixed	08/03/07	25/03/53	PWLB	Maturity	4.2500%	10,000,000.00
Loan	Fixed	08/03/07	25/03/54	PWLB	Maturity	4.2500%	10,000,000.00
Loan	Fixed	05/08/08	25/03/58	PWLB	Maturity	4.4800%	2,000,000.00
Loan	Fixed	15/08/08	25/09/57	PWLB	Maturity	4.3900%	6,000,000.00
Loan	Fixed	02/12/08	25/09/58	PWLB	Maturity	4.1200%	10,000,000.00
Loan	Fixed	20/08/09	25/03/59	PWLB	Maturity	4.2000%	5,000,000.00
Loan	Fixed	31/08/10	25/03/60	PWLB	Maturity	3.9200%	10,000,000.00
Loan	Fixed	15/09/11	25/03/31	PWLB	EIP	3.3500%	2,500,000.00
Loan	Fixed	28/03/12	25/03/51	PWLB	Maturity	3.5300%	12,000,000.00
Loan	Fixed	28/03/12	25/09/26	PWLB	Maturity	2.9700%	12,000,000.00
Loan	Fixed	28/03/12	25/03/50	PWLB	Maturity	3.5300%	15,000,000.00
Loan	Fixed	28/03/12	25/03/41	PWLB	Maturity	3.4900%	15,000,000.00
Loan	Fixed	28/03/12	25/03/61	PWLB	Maturity	3.4800%	15,000,000.00
Loan	Fixed	28/03/12	25/03/32	PWLB	Maturity	3.3000%	12,000,000.00
Loan	Fixed	28/03/12	25/09/41	PWLB	Maturity	3.4900%	15,000,000.00
Loan	Fixed	28/03/12	25/09/51	PWLB	Maturity	3.5200%	3,000,000.00
Loan	Fixed	28/03/12	25/03/62	PWLB	Maturity	3.4800%	15,000,000.00
Loan	Fixed	28/03/12	25/03/41	PWLB	EIP	2.9900%	15,000,000.00
Loan	Fixed	28/10/25	28/10/26	PWLB	Maturity	4.0600%	50,000,000.00
Loan	Fixed	17/04/26	19/04/27	PWLB	Maturity	4.4600%	25,000,000.00
Loan	Fixed	19/06/26	21/06/27	PWLB	Maturity	4.4400%	25,000,000.00
Loan	Fixed	26/03/18	25/03/68	PWLB	Maturity	2.2800%	15,000,000.00
Loan	Fixed	27/09/18	27/09/43	PWLB	Maturity	2.8200%	15,000,000.00
Loan	Fixed	27/09/18	27/09/49	PWLB	Maturity	2.7900%	15,000,000.00
Loan	Fixed	11/03/19	11/03/66	PWLB	Maturity	2.3800%	15,000,000.00
Loan	Fixed	13/03/19	13/03/37	PWLB	Maturity	2.4200%	5,000,000.00
Loan	Fixed	13/03/19	13/03/57	PWLB	Maturity	2.4200%	5,000,000.00
Loan	Fixed	01/04/19	01/04/64	PWLB	Maturity	2.2000%	10,000,000.00
Loan	Fixed	01/10/19	02/10/62	PWLB	Maturity	1.6400%	5,000,000.00
Loan	Fixed	01/10/19	01/10/63	PWLB	Maturity	1.6300%	5,000,000.00
Loan	Fixed	07/10/19	07/10/66	PWLB	Maturity	1.6300%	5,000,000.00
Loan	Fixed	07/10/19	08/10/68	PWLB	Maturity	1.6300%	5,000,000.00
Loan	Fixed	11/03/20	25/09/69	PWLB	Maturity	2.0700%	15,000,000.00
Fixed Total						3.4689%	448,500,000.00

Loan	Temporary Borrowing - Fixed	07/04/26	07/07/26	London Borough of Redbridge	Maturity	4.1500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	10/04/26	02/07/26	Middlesbrough Council	Maturity	4.0500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	30/04/26	30/07/26	Liverpool City Region Combined Authority	Maturity	4.0500%	10,000,000.00
Loan	Temporary Borrowing - Fixed	27/04/26	27/07/26	West Yorkshire Combined Authority	Maturity	4.0500%	15,000,000.00
Loan	Temporary Borrowing - Fixed	22/04/26	22/07/26	Gwent Police and Crime Commissioner	Maturity	4.0500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	29/04/26	28/09/26	Armagh City Banbridge and Craigavon Borough Council	Maturity	4.1500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	14/05/26	17/08/26	Tendring District Council	Maturity	4.1500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	08/05/26	21/08/26	London Treasury - Liquidity Fund	Maturity	4.1500%	20,000,000.00
Temporary Borrowing - Fixed Total						4.1000%	70,000,000.00
Loan	LOBO Vanilla	06/12/05	06/12/55	Barclays Bank plc	Maturity	3.9900%	5,000,000.00
LOBO Vanilla Total						3.9900%	5,000,000.00
Loan Total						3.5582%	523,500,000.00

Appendix 3 - Investment Portfolio as at 30th June 2026

Class	Type	Start / Purchase Date	Maturity Date	Original Maturity Date	Counterparty	Rate	Principal O/S (£)
Treasury Investments							
Deposit	Current Account	N/A	N/A		Lloyds Bank Plc	1.25%	1,311,488.24
Deposit	MMF	N/A	N/A		Royal London Sterling Extra Yield A Inc	3.82%	900,000.00
Deposit	MMF	N/A	N/A		SLI Sterling Liquidity/CI 2	3.83%	2,200,000.00
Deposit	MMF	N/A	N/A		Federated Prime Rate Sterling Liquidity 4	3.87%	20,000,000.00
Deposit	VNAV Fund	31/03/15	N/A		CCLA Local Authorities Property Fund	4.70%	15,000,000.00
Treasury Investments Total						4.10%	39,411,488.24
Non-Treasury Investments							
Deposit	Fixed	16/04/2019	24/03/2029	N/A	Homes for Reading Ltd	3.75%	2,199,999.00
Deposit	Fixed	30/04/2019	01/07/2027	30/04/2029	Reading Transport Ltd	5.00%	1,523,529.83
Deposit	Fixed	15/08/2019	01/01/2029	30/07/2029	Reading Transport Ltd	5.00%	500,000.00
Deposit	Fixed	08/04/2018	01/04/2029	01/07/2023	Reading Transport Ltd	5.00%	490,297.04
Deposit	Fixed	03/06/2018	01/07/2029	01/07/2023	Reading Transport Ltd	5.00%	206,749.85
Deposit	Fixed	29/07/2018	01/07/2029	01/07/2023	Reading Transport Ltd	5.00%	164,084.05
Deposit	Fixed	20/01/2020	01/07/2029	01/01/2024	Reading Transport Ltd	5.00%	150,785.28
Deposit	Fixed	21/08/2020	01/07/2028	01/10/2024	Reading Transport Ltd	5.00%	700,000.00
Non-Treasury Investments Total						4.54%	5,935,445.05
Total Investments							45,346,933.29

*Values above do not include lease agreements with Reading Transport Ltd.

Appendix 4 - Approved Countries for Investments as at 31st December 2025

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA-

- Belgium
- France
- U.K.