Treasury Management Strategy

Medway Council

2026-27

Contents

1. Introduction

1.1 The Authority is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return

1.2 The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

1.3 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

1.4 CIPFA defines treasury management as: *"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

2. Reporting requirements

2.1 Capital Strategy

2.1.1 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

2.1.2 The aim of this capital strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

2.2 Treasury Management Reporting

2.2.1 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

2.2.2 **Prudential and treasury indicators and treasury strategy** (this report): The first, and most important report is forward looking and covers:

- the capital plans (including prudential indicators).
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time).

- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an Annual Investment Strategy (the parameters on how investments are to be managed).

2.2.3 **A mid-year treasury management report**: This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Authority will receive quarterly update reports.

2.2.4 **An annual treasury report**: This backwards looking review provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

2.2.5 The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit Committee and further reported to Cabinet.

2.2.6 Quarterly reports – In addition to the three major reports detailed above, quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Audit Committee and further reported to Cabinet. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

3. Treasury Management Strategy for 2026/27

3.1 The strategy for 2026/27 covers two main areas:

3.2 Capital issues

- the capital expenditure plans and the associated prudential indicators.
- the minimum revenue provision (MRP) policy.

3.3 Treasury management issues

- the current treasury position.
- treasury indicators which limit the treasury risk and activities of the Council.
- prospects for interest rates.
- the borrowing strategy.
- policy on borrowing in advance of need.
- debt rescheduling.
- the investment strategy.
- creditworthiness policy; and
- policy on use of external service providers.

3.4 These elements cover the requirements of the Local Government Act 2003, MHCLG Investment Guidance, MHCLG MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

3.5 Training

3.5.1 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. The training needs of Members and of treasury management officers are periodically reviewed. Members received a presentation by our treasury advisors, MUFG Corporate Markets, on 20th March 2025.

3.5.2 Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making”.

3.5.3 The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

3.5.4 In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

3.6 Treasury management consultants

3.6.1 The Council uses MUFG Corporate Markets as its external treasury management advisors.

3.6.2 The Council recognises that responsibility for treasury management decisions remains with the with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information including, but not solely, our treasury advisors.

3.6.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

3.7 The Capital Prudential Indicators 2026/27 – 2028/29

3.7.1 The Council’s capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist Members’ overview and confirm capital expenditure plans.

3.7.2 The capital prudential indicator is a summary of the Council’s capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Due to uncertainties over future funding the Capital expenditure it is likely that these indicators will evolve as the budget setting process progresses. The table below summarises the current capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Table 1: Capital Programme 2025/26 to 2028/29 (based on Round 2 monitoring)

Expenditure	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 onwards £000s	Total £000s
Children and Adults (including Public Health)	17,298	2,382	0	0	19,679
Regeneration, Culture and Environment	86,938	37,496	17,569	10,525	152,528
Housing Revenue Account	27,222	22,219	7,992	0	57,433
Business Support Department	138	0	0	0	138
Total Expenditure	**131,596**	**62,096**	**25,561**	**10,525**	**229,778**
Borrowing	67,501	40,731	23,571	10,525	142,328
Capital Grants	45,912	5,948	0	0	51,860
Developer Contributions	2,106	2,727	702	0	5,535
Capital Receipts	699	1,524	0	0	2,223
Right-to-Buy Receipts	968	32	0	0	1,000
Revenue/ Reserves	14,410	11,134	1,288	0	26,832
Total Funding	**131,596**	**62,096**	**25,561**	**10,525**	**229,778**

4. Borrowing

4.1 The Council’s borrowing need (the Capital Financing Requirement)

4.1.1 The second prudential indicator is the Council’s Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not been paid for from either revenue or capital resources. It is essentially a measure of the Council’s indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue of capital resource, will increase the CFR.

4.1.2 The CFR does not increase indefinitely, as the minimum revenue provision or MRP (a statutory annual revenue charge) broadly reduces the indebtedness in line with each asset’s life, and so charges the economic consumption of capital assets as they are used.

4.1.3 The CFR includes any other long-term liabilities (e.g. embedded leases and finance leases). Whilst these increase the CFR, and therefore the Council’s borrowing requirement, these types of schemes include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes. The Council had £0.699m, of such liabilities within the CFR at 31 March 2024.

4.1.4 Members are asked to approve the CFR projections:

	2024/25 Actual	2025/26 Estimate £000s	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
CFR – non housing	545,913	649,508	764,451	816,458	851,824
CFR – housing	42,386	54,197	68,833	77,506	77,239
Total CFR	588,300	703,705	833,284	893,965	929,063
Movement in CFR		115,406	129,578	60,681	35,098

4.1.5 Movement in CFR represented by:

	2025/26 Estimate £000s	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
Borrowing (unfinanced capital expenditure)	78,113	95,984	56,709	11,353
Capitalisation of Revenue Costs Under Exceptional Financial Support (EFS)	28,132	25,000	0	0
Long Term Debtors - Capital Principle	26,350	30,000	30,000	30,000
Long Term Debtors - Capital Interest	7,431	9,118	6,434	6,406
Less MRP/VRP (net of offset) and other financing movements	(7,537)	(8,786)	(9,681)	(10,262)
Less KCC debt repayment	(1,110)	(1,065)	(1,023)	(982)
Less capital loans repayments	(418)	(513)	(626)	(654)
Less repayment from S106	(285)	(382)	(382)	(764)
Less Property Review Capital Receipts	(15,269)	(19,777)	(20,751)	0
Movement in CFR	**115,406**	**129,578**	**60,681**	**35,098**

4.1.6 It is envisaged, subject to revisions in the capital programme, that external borrowing will increase by £111m over the course of 2025/26, £126m in 2026/27, £66m in 2027/28 and £29m in 2028/29.

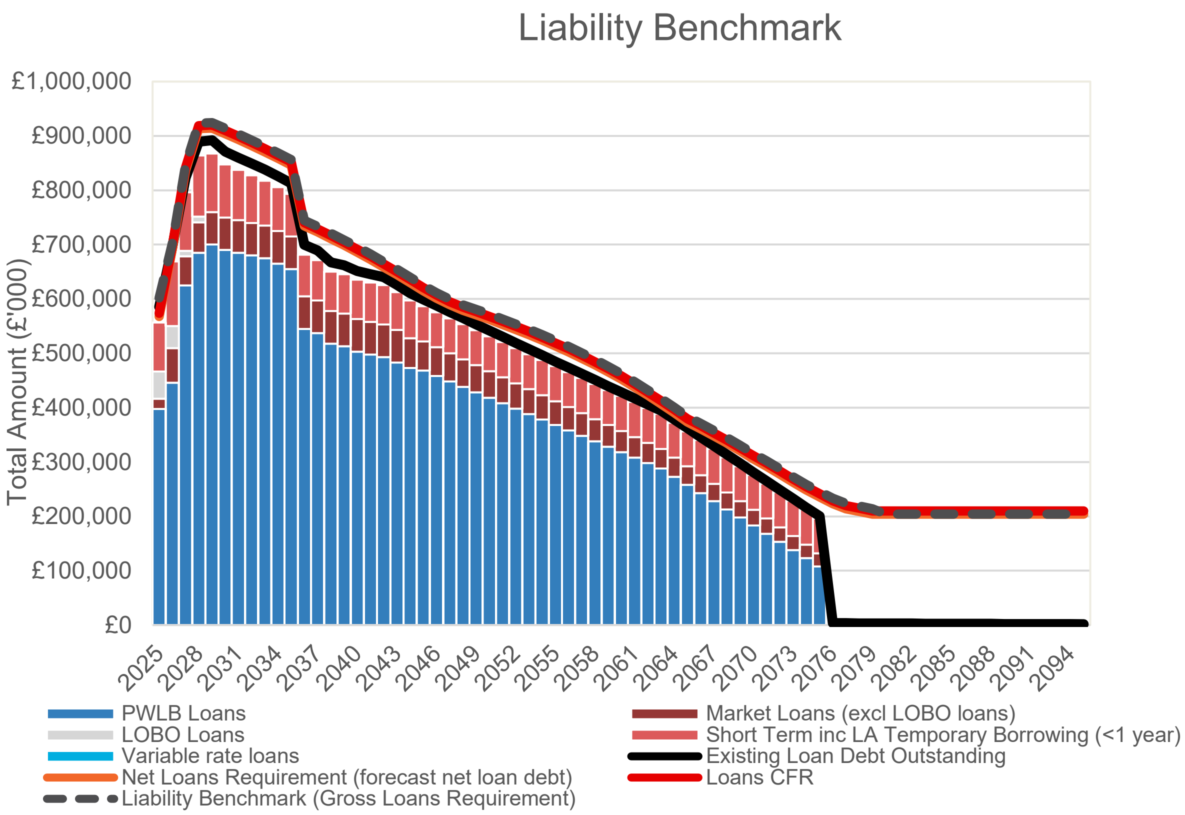
4.2 Liability Benchmark

4.2.1 The Authority is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum.

4.2.2 There are four components to the liability benchmark:

- **Existing loan debt outstanding**: the Authority's existing loans that are still outstanding in future years (shaded areas at the bottom of the graph below)
- **Loans CFR**: this is calculated in accordance with loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP (dark blue line at the top of the graph)
- Net loans requirement: this will show the Authority's gross loan debt less treasury management investments at the last financial year end, projected into the future based on its approved prudential borrowing, planned MRP and other major cash flows forecast (orange line below the red dotted line)
- **Liability benchmark** (or gross loans requirement): this equals net loans

requirement plus short-term liquidity allowance (red dotted line)



The graph shows that under current capital plans the Council will need to take out new loans in future as shown by the gap between the orange line and the shaded areas. The loan requirement is close to the liability benchmark as it is assumed that the Council needs only £10m as a day to day (liquidity) cash balance. At no point does the loan requirement exceed the CFR.

4.3 Borrowing strategy

4.3.1 The capital expenditure plans set out in Table 1 (Paragraph 3.7.2 above) provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organization of the cash flow and, where capital plans require the organization of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the annual investment strategy.

4.3.2 Current portfolio position – The overall treasury management portfolio as at 31 March 2023 and the position as at 15 December 2023 (including October 2023 valuation for CCLA Property Fund and November 2023 valuation for other property funds) is shown below for both borrowing and investment.

TREASURY PORTFOLIO				
	31 Mar 25 Actual £000	31 Mar 25 Actual %	14 Jan 26 Current £000	14 Jan 26 Current %
Treasury Investments				
Banks	14,143	8.41	423	0.25
Medway Council Subsidiaries	116,410	69.25	138,815	83.65
Total Managed In House	130,553	77.67	139,239	83.91
Externally Managed – Property Funds (at current value)	17,741	10.55	17,807	10.73
Money Market Funds	19,800	11.78	8,897	5.36
Total Treasury Investments	168,095	100.00	165,943	100.00
Treasury External Borrowing				
Long Term Borrowing	433,874	74.25	388,874	60.87
Short Term Borrowing	90,000	15.40	199,510	31.23
LOBOs	60,500	10.35	50,500	7.90
Total External Borrowing	584,374	100.00	638,884	100.00
Net Borrowing	416,279		472,941	

4.3.3 The Council's forward projections for borrowing are summarized below. The table shows the actual external debt against the underlying capital borrowing need, (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

	2025/26 Estimate £000s	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
Debt at 1 April	585,707	701,113	830,691	891,372
Expected Change in Debt	115,406	129,578	60,681	35,098
Expected Gross Debt at 31 March	701,113	830,691	891,372	926,470
Capital Financing Requirement 31 March	703,705	833,284	893,965	929,063
Under/ (over) borrowing	2,593	2,593	2,593	2,593

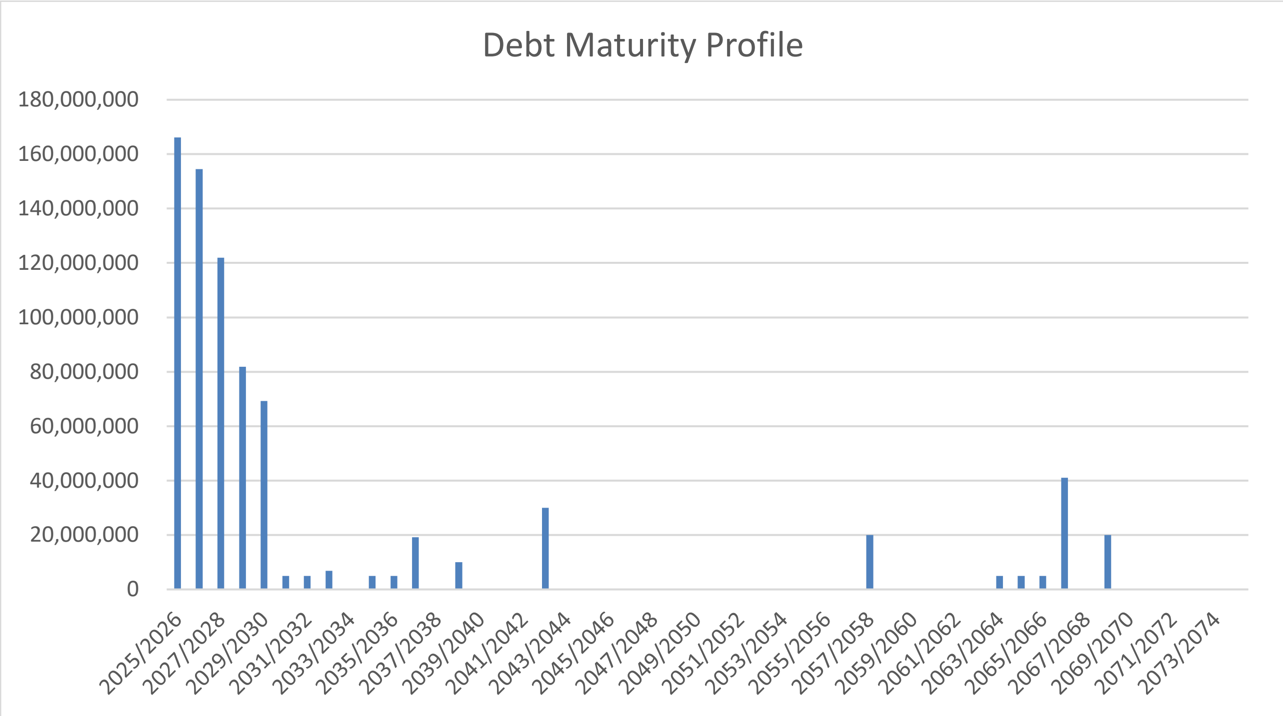
4.3.4 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels during 2026/27 from 3.75% in January 2026 to 3.25% by March 2027.

Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Chief Operating Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates,* then borrowing would be postponed.
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast,* fixed rate funding would be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reports at the next available opportunity.

4.3.5 The repayment dated for maturity loans is shown below:



4.3.6 The long-term aim of officers is to smooth out the maturity profile and reduce reliance on short-term borrowing but will seek to hold some short-term debt to manage cash flow. Interest rates have reduced sufficiently to make it worthwhile taking borrowing up to 5 years maturity. A significant amount of capital receipts are expected in the next few years and therefore a higher level of short to medium-term loans from other local authorities and PWLB will be held in the immediate term.

4.4 New financial institutions as a source of borrowing and / or types of borrowing

4.4.1 As an alternative to PWLB consideration will be given to the following sources:

- Local authorities (primarily shorter dated maturities)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of spot or forward dates)
- Municipal Bonds Agency (no issuance at present but there is potential)
- UK National Wealth Fund.

4.4.2 Before any of these sources is used for long term funding officers will consult with our treasury advisors, MUFG Corporate Markets.

4.5 Treasury Indicators: limits to borrowing activities

4.5.1 The CIPFA LAASAC Local Authority Accounting Code Board deferred implementation of IFRS16 until 1 April 2024, the 2024/25 financial year. Where off-balance sheet leased assets have been brought onto the balance sheet in 2024/25, their inclusion will have an impact on the Operational Boundary and Authorised Limit for External Debt for 2025/26. At this point the data isn’t yet available to make an estimate on the likely impact. When the data is available changes will be made to these two indicators and reported if significant.

4.6 The Operational Boundary

4.6.1 This is the limit beyond which external debt is not normally expected to exceed. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources. (Table below)

Operational Boundary	2025/26 Estimate £000s	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
Debt	803,705	933,284	993,965	1,029,063
Other long-term liabilities	2,000	2,000	2,000	2,000
Total	805,705	935,284	995,965	1,031,063

4.7 The authorised limit for external debt.

4.7.1 This is a key prudential indicator and represents a control on the maximum level of borrowing. It is a legal limit, determined under S3(1) of the Local Government Act 2003, beyond which external borrowing is prohibited, and this limit needs to be set or revised by full Council. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

Authorised Limit	2025/26 Estimate £000s	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
Debt	884,076	1,026,612	1,093,361	1,131,969
Other long-term liabilities	2,200	2,200	2,200	2,200
Total	886,276	1,028,812	1,095,561	1,134,169

Upper Limit for Fixed Interest Rate Exposure	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s
Net principal fixed rate borrowing	884,076	1,026,612	1,093,361	1,131,969
Net principal fixed rate investment (excluding subsidiaries)	50,000	50,000	50,000	50,000
Net principal fixed rate loans to subsidiaries of Medway Council	125,000	125,000	125,000	125,000

Upper Limit for Variable Rate Exposure	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s
Net principal investment/borrowing (excluding LOBOs) at variable rate	150,000	150000	150,000	150,000
LOBO limit	102,000	102,000	102,000	102,000

Maturity Structure of Fixed rate Borrowing during 2024/25	Upper Limit	Lower Limit
under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	100%	0%

4.7.2 A limit of £125m applies for fixed rate loans to subsidiaries. The interest rate set on such loans will take account of market rates, the security offered, the risk of default, and the requirements to comply with subsidy rules.

4.7.3 Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Chief Operating Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short-term rates,* e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings would be postponed, and potential rescheduling from fixed rate funding into short term borrowing would be considered.
- *if it was felt that there was a significant risk of a much sharper RISE in long and short-term rates than that currently forecast,* perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would be re-appraised with the likely action that fixed rate funding would be drawn whilst interest rates are still lower than they will be in the next few years.

4.8 Policy on borrowing in advance of need

4.8.1 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

4.8.2 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

4.9 Prospects for Interest Rates

4.9.1 The Authority has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts on 22 December 2025. These are forecasts for Bank Rate, average earnings and PWLB certainty rates (gilt yields plus 80 bps).

MUFG Corporate Markets Interest Rate View 22.12.25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

4.9.2 Additional notes by MUFG on this forecast table: -Additional notes by MUFG Corporate Markets on this forecast table: -

- Our last interest rate forecast update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December.
- Surprisingly, to most market commentators, the recent steep fall in CPI inflation in one month from 3.6% to 3.2% did not persuade most "dissenters" from the November vote (Lombardelli, Greene, Mann and Pill) to switch to the rate-cutting side of the Committee. Instead, it was left to Bank Governor, Andrew Bailey, to use his deciding vote to force a rate cut through by the slimmest of margins, 5-4.
- Given the wafer-thin majority for a rate cut it was not unexpected to hear that although rates would continue on a "gradual downward path", suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. Indeed, with annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be "a closer call", and Governor Bailey observed there is "limited space as Bank Rate approaches a neutral level".
- Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.
- As in August, nonetheless, threats to that central scenario abound. What if wage increases remain stubbornly high? There are, after all, several sectors of the domestic economy, including social care provision and the building/construction industries, where staff shortages remain severe. Moreover, by May 2026, following the local elections, we will have a better handle on whether or not the Starmer/Reeves team is going to see out the current Parliament or whether they face a Leadership challenge from within their own party If so, how will gilt markets react to these variables…and will there be additional geo-political factors to also bake in, particularly the Fed's monetary policy decisions in 2026 and the ongoing battle to lower rates whilst inflation remains close to 3%.
- Accordingly, our updated central forecast is made with several hefty caveats. We are confident, as we have been for some time, that our forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, and we have marginally brought forward the timing of the next rate cut(s). But for the 10-, 25- and 50-years part of the curve, the level of gilt issuance, and the timing of its placement, will be integral to achieving a benign trading environment. That is not a "given", and additionally, the inflation outlook and political factors domestically and, crucially, in the US, are also

likely to hold sway. Matters should be clearer by June in the UK, but the US mid-term elections are scheduled for November.

- Our revised PWLB rate forecasts are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. Hopefully, there will be a further extension to this discounted rate announced in January.

- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are generally to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below*: -*

PWLB borrowing	Current borrowing rates as at 22.12.25 p.m. %	Target borrowing rate now (end of Q4 2027) %	Target borrowing rate previous (end of Q4 2027) %
5 years	4.81	4.10	4.20
10 years	5.39	4.70	4.70
25 years	6.01	5.30	5.30
50 years	5.78	5.10	5.10

4.10 Investment and borrowing rates

4.10.1 MUFG's long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity/<10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

4.10.2 Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now %	Previously %
2025/26 (residual)	3.80	3.90

2026/27	3.40	3.60
2027/28	3.30	3.30
2028/29	3.30	3.50
2029/30	3.50	3.50
Years 6-10	3.50	3.50
Years 10+	3.50	3.50

4.10.3 As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

4.10.4 MUFG's interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, they continue to monitor events and will update our forecasts as and when appropriate.

4.10.5 While this authority will not be able to avoid borrowing to finance new capital expenditure and to replace maturing debt, new borrowing is being taken at a lower rate than 2 years ago resulting in a revenue saving for some loan refinancing.

4.11 Debt Rescheduling

4.11.1 Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.

4.11.2 Decisions related to rescheduling will be reported in reviews of this strategy.

5. Investment

5.1 Annual Investment Strategy

5.1.1 Investment policy – management of risk

5.1.2 The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

5.1.3 The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

5.1.4 The Authority's investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.

5.1.5 Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

5.1.6 Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

5.1.7 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

5.1.8 This authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in appendix 4 under the categories of ‘specified’ and ‘non-specified’ investments.

5.1.9 Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.

5.1.10 Non- specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18-month deposit would still be non-specified even if it has only 11 months left until maturity.

5.1.11 Lending limits, (amounts and maturity), for each counterparty will be set through applying Treasury Management Practice 1.

5.1.12 Transaction limits are set for each type of investment in appendix 4.

5.1.13 This authority will set a limit for the amount of its investments which are invested for longer than 365 days, (see appendix 4).

5.1.14 Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see appendix 5).

5.1.15 This authority has engaged external consultants, (see paragraph 3.6), to provide expert advice on how to optimise an appropriate balance of security, liquidity, and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

5.1.16 All investments will be denominated in sterling.

5.1.17 As a result of the change in accounting standards in 2023/24 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023.) More recently, a further extension to the over-ride to 31 March 2029 has been agreed by Government but only for those pooled investments made before the 1 April 2024.

5.1.18 However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

5.2 Creditworthiness policy

5.2.1 This Council applies the creditworthiness service provided by MUFG. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

5.2.2 credit watches and credit outlooks from credit rating agencies;

5.2.3 CDS spreads to give early warning of likely changes in credit ratings;

5.2.4 Sovereign ratings to select counterparties from only the most creditworthy countries.

5.2.5 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years *
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

5.2.6 The MUFG creditworthiness service uses a wider array of information than just primary. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

5.2.7 Typically, the minimum credit ratings criteria the Council use will be a short-term rating (Fitch or equivalents) of F1, a Long-Term rating A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

5.2.8 All credit ratings will be monitored, primarily via MUFG updates, by Officers on a continuous basis. The Council is alerted to changes to ratings of all three agencies through its use of the MUFG creditworthiness service.

5.2.9 If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

5.2.10 In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis via its Passport website, provided exclusively to it by MUFG. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

5.2.11 Sole reliance will not be placed on the use of this external service. In addition, the Council will also use market data and market information, information on any external support for banks to help support its decision-making process.

5.3 Counterparty Limits

5.3.1 The current counterparty limits are set as;

- In-house team £20 million limit per counterparty and £25 million for counterparties with a MUFG Asset Services duration rating of 12 months or above.

5.3.2 No amendments are requested to these counterparty limits.

5.4 Country limits

5.4.1 The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

5.4.2 In addition:

- no more than £40m will be placed with any non-UK country at any time;
- limits in place will apply to a group of companies/ institutions;
- sector limits will be monitored regularly for appropriateness.

5.5 Investment Strategy

5.5.1 In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

5.5.2 Officers will aim to minimise net cash balances by appropriate uses of short-term borrowing such that as cash balances surplus to immediate needs arise they are quickly matched by the opportunity to repay maturing debt.

5.6 Investment in Property Funds

5.6.1 Property Funds are a form of investment, comprising a portfolio of commercial properties to achieve investment returns through rental income and capital growth. However, the value of such investments may fall as well as rise. There may also be restrictions on redemption of the investment. This type of investment is regarded as a 5-to-7-year minimum timeframe.

5.6.2 Due diligence was undertaken before the Council invested in Property Fund and the CFO would carefully consider the Council's cash balances and cashflow projections before investing further amounts.

5.7 Loans to Social Enterprises and Similar Organisations

5.7.1 Medway will consider advancing funds to organisations where the purpose of such loans advances Council priorities.

5.7.2 The Council may also make loans or rolling credit facilities to its subsidiary companies.

5.8 Investment in Money Market Funds

5.8.1 Money Market Funds (MMFs) often offer enhanced returns compared with bank call accounts while reducing bail- in risk through diversification. Investment has been made in a MMF operated by CCLA and officers are currently exploring options to use a MUFG recommended portal.

5.8.2 Investment treasury indicator and limit – total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

Upper limit for principal sums invested for longer than 365 days				
	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Principal sums invested for longer than 365 days	150	150	150	150

5.9 Changes of Investment Strategy

5.9.1 There are now several alternative types of investment opportunities which officers may consider in future, should the opportunity to invest arise. This may involve the use of some of the following instruments as well as a different approach to how and where monies are invested in more traditional money markets.

- Ultra-Short Dated Bond Funds
- Corporate Bonds - direct, passive and active external management (including Short-Dated Bond Funds)
- Multi Asset Funds
- Property Funds
- Equity Funds
- Receivable Funds

5.9.2 Before any of these sources are used as sources for investment officers will consult with our treasury advisors, MUFG Corporate Markets.

5.10 End of year investment report

5.10.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

6. Kent County Council (KCC) Local Government Reorganisation (LGR) Debt

6.1 The charge for the share of KCC debt for which Medway Council was responsible on local government reorganisation is based on the current average cost of debt for the County Council as a whole. The County estimated the rate at 4.304% for 2025/26 however the final payment each year is adjusted to reflect actual interest. Early redemption may incur a penalty. The outstanding principal at 1 April 2026 will be £25.570million.

7. Minimum Revenue Provision (MRP)

7.1 The Minimum Revenue Provision is explained and the Policy Statement for 2026/27 is set out at Appendix 1.

Appendix 1 – Minimum Revenue Provision Policy Statement 2025/26

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP). The 2003 Regulations have been further amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of CFR from its calculation, unless by an exception set out in statute.

The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2024) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent.

The MRP policy statement requires full council approval in advance of each financial year.

The Authority is recommended to approve the following MRP Statement:

MRP is calculated on an annuity basis over the estimated lives of assets funded from debt. The period over which provision is made for all expenditure after 1 April 2018 is subject to an upper limit of 50 years in line with the latest DLUHC guidance. MRP on expenditure prior to 1 April 2018 is provided over the remaining life previously estimated.

The Council will treat all expenditures as not ranking for MRP until the year after the scheme or asset to which they relate is completed and/or brought into use.

Estimated life periods will be determined under delegated powers.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

In the case of long-term debtors arising from loans to subsidiaries, the MRP guidance requires the Council to determine whether loans are either performing (commercial) or non-performing (non-commercial) in nature. The Government definition of a commercial loan is: "defined in regulation 27(5) as a loan from the authority to another entity for a purpose which, if the authority were to undertake itself, would be primarily for financial return; or, where the loan is itself capital expenditure undertaken primarily for financial return." The Council has determined that the loans are not primarily for financial return and therefore Non-Performing and therefore under the MRP guidance, the Council is not required to set aside MRP for loans of this type.

Other types of capital expenditure made by the Council which will be repaid under separate arrangements (such as long-term investments), or where borrowing has occurred but will be repaid by future Capital Receipts or agreed income from other source, there will be no Minimum Revenue Provision made.

The adoption of International Financial Reporting Standard 16 has introduced a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is low value. When such lease contracts and the related assets and liabilities are brought onto the balance sheet, a local authority will increase its long-term liabilities and as a result this will increase the debt liability.

Generally accepted accounting practice requires these changes to be accounted for retrospectively, with the result that an element of the rental or service charge payable in previous years (and previously charged to revenue accounts) will be taken to the balance sheet to reduce the liability. On its own, this change in the accounting arrangements would result in a one-off increase to the CFR and an equal increase in revenue account balances.

This is not seen as a prudent course of action and the guidance aims to ensure local authorities are in the same position as if the change had not occurred. It does this by recommending the inclusion in the annual MRP charge of an amount equal to the amount that has been taken to the balance sheet to reduce the liability, including the retrospective element in the first year.

It will be open to local authorities to consider a different approach to the calculation, subject to compliance with the overriding statutory requirement to make a prudent level of MRP.

Regarding MRP in respect of assets acquired either under leases where a right-of-use asset is on the balance sheet or where on-balance sheet PFI contracts are in place, the prudent charge to revenue can be measured as being equal to the element of the rent/charge that goes to write down the balance sheet liability.

Where a lease (or part of a lease) or PFI contract is brought onto the balance sheet, having previously been accounted for off-balance sheet, the MRP requirement is regarded as having been met by the inclusion in the charge for the year in which the restatement occurs, of an amount equal to the write-down for that year plus retrospective writing down of the balance sheet liability that arises from the restatement.

There is no requirement on the HRA to make a minimum revenue provision, though in the interests of prudence the council has opted to do so.

Appendix 2 – Interest Rate Forecasts 2026-29

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

Appendix 3 – Prudential and Treasury Indicators

PRUDENTIAL INDICATORS	2025/2026	2026/2027	2027/2028	2028/2029
	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000
Capital Expenditure				
Non - HRA	103,151	94,129	53,343	23,168
HRA	27,580	21,447	10,686	0
TOTAL	130,731	115,576	64,029	23,168
Ratio of financing costs to net revenue stream				
Non - HRA	6.86%	5.56%	4.94%	4.27%
HRA	13.60%	15.54%	16.80%	17.72%
Gross borrowing requirement				
brought forward 1 April	585,707	701,113	830,691	891,372
carried forward 31 March	701,113	830,691	891,372	926,470
in year borrowing requirement	115,406	129,578	60,681	35,098
Capital Financing Requirement as at 31 March				
Non – HRA	649,508	764,451	816,458	851,824
HRA	54,197	68,833	77,506	77,239
TOTAL	703,705	833,284	893,965	929,063
Annual change in Cap. Financing Requirement				
Non- HRA	103,595	114,943	52,008	35,365
HRA	11,811	14,636	8,674	(267)
TOTAL	115,406	129,578	60,681	35,098

TREASURY MANAGEMENT INDICATORS	2025/2026	2026/27	2027/2028	2028/2029
	Estimate	**Estimate**	**Estimate**	**Estimate**
	£'000	**£'000**	**£'000**	**£'000**
Authorised Limit for external debt -				
Borrowing	884,076	1,026,612	1,093,361	1,131,969
Other Long-term liabilities	2,200	2,200	2,200	2,200
TOTAL	886,276	1,028,812	1,095,561	1,134,169
Operational Boundary for external debt -				
Borrowing	803,705	933,284	993,965	1,029,063
Other long-term liabilities	2,000	2,000	2,000	2,000
TOTAL	805,705	935,284	995,965	1,031,063
Estimated actual external debt (31 March)	701,113	830,691	891,372	926,470
Upper limit for fixed interest rate exposure				
Net principal re fixed rate borrowing	886,276	1,028,812	1,095,561	1,134,169
Net principal fixed rate investment (exc. Subsidiaries)	50,000	50,000	50,000	50,000
Net principal fixed rate loans to subsidiaries of Medway Council	125,000	125,000	125,000	125,000
Upper limit for variable rate exposure				
Net principal re variable rate borrowing / investments (excluding LOBOs)	150,000	150,000	150,000	150,000
LOBO Limit				
Upper limit for total principal sums invested for over 1 year				
(per maturity date)	150,000	150,000	150,000	150,000

TABLE 5: Maturity structure of fixed rate borrowing during 2026/2027	upper limit		lower limit
under 12 months	50%		0%
12 months and within 24 months	50%		0%
24 months and within 5 years	50%		0%
5 years and within 10 years	50%		0%
10 years and above	100%		0%

Appendix 4 – Specified and Non-specified Investments

SPECIFIED INVESTMENTS: (All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable)

	*** Minimum 'High' Credit Criteria**	**Use**
Debt Management Agency Deposit Facility	--	In-house and Fund Manager
Term deposits – local authorities	--	In-house and Fund Manager
Term deposits – banks and building societies	See note 1	In-house and Fund Manager
Collateralised deposit (see note 3)	UK sovereign rating	In-house and Fund Manager
Certificates of deposit issued by banks and building societies	See note 1	In-house and Fund Manager
UK Government Gilts	UK sovereign rating	In-house buy and hold and Fund Manager
Bonds issued by multilateral development banks	AAA	In-house buy and hold and Fund Manager
Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government (refers solely to GEFCO - Guaranteed Export Finance Corporation)	UK sovereign rating	In-house buy and hold and Fund Manager
Sovereign bond issues (other than the UK govt)	AAA	In-house buy and hold and Fund Manager
Treasury Bills	UK sovereign rating	In house and Fund Manager
Money Market Funds CNAV, LVNAV or VNAV	* Long-term AAA volatility rating V1+	In-house and Fund Managers

Note 1. Award of "Creditworthiness" Colour by MUFG as detailed in paragraph 1.55.2.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the Specified Investment criteria. A maximum of 70% ** will be held in aggregate in non-specified investment

1. Maturities of ANY period

	*** Minimum Credit Criteria**	**Use**	**** Max total investments**	**Max. maturity period**
Fixed term deposits with variable rate and variable maturities: - Structured deposits	See note 1	In-house	£10m	Lower of 5 years or MUFG duration rating
Property Funds	See note 2 and 3	In-house	£25m (original cost of investment)	N/A

2. Maturities in excess of 1 year

	*** Minimum Credit Criteria**	**Use**	**** Max total investments**	**Max. maturity period**
Term deposits – local authorities	--	In-house	£25m	5 Years
Term deposits – banks and building societies	See note 1	In-house	£25m	As per MUFG duration rating
Certificates of deposit issued by banks and building societies covered by UK Government (explicit) guarantee	See note 1 and 2	In-house	£25m	As per MUFG duration rating and see note 3
Certificates of deposit issued by banks and building societies	See note 1 and 2	In-house	£25m	As per MUFG duration rating and see note 3
UK Government Gilts	UK sovereign rating	In-house	£25m	see note 1
Bonds issued by multilateral development banks	AAA	In-house	£10m	see note 1
Sovereign bond issues (other than the UK govt)	AAA	In-house	£10m	see note 1
Social Enterprises	See note 4	In House	£5m	25 years

Note 1. Award of "Creditworthiness" Colour by MUFG as detailed in paragraph 1.55.2

Note 2. Property Funds are not credit rated.

Note 3. Property Funds: up to an aggregate of £25m may be invested in collective property Funds (based on original cost of investment)

Note 4. Social Enterprises may not be credit rated

** If forward deposits are to be made, the forward period plus the deal period should not exceed one year in aggregate.

N.B. buy and hold may also include sale at a financial year end and repurchase the following day in order to accommodate the requirements of SORP.

Appendix 5 – Approved countries for investments

Based on lowest available rating (as at 23/12/25)

AAA

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

AA+

- Canada
- U.S.A.

AA

- Abu Dhabi (UAE)
- Finland
- Qatar

AA-

- U.K.

Appendix 6 – Amendments to the Treasury Management Practices

The following principal changes have been made to the TMPs compared with those published in January 2025:

- Following the departure of the Chief Finance Officer in 2025/26, we have changed the references from that post to the Chief Operating Officer.