South East Wales Corporate Joint Committee

Cyd-bwyllgor corfforaethol De-Dwyrain Cymru

Report for:	NOTING
Contains Confidential or Exempt Information	NO

For Consideration By	South East Wales Corporate Joint Committee
Report Title	Quarter 4: 2024/25 Treasury Management Performance Report
Report of	Strategic Director of Resources
Contact Details	Liam.Hull@cardiffcapitalregion.gov.uk
Date to be Considered	28 July 2025
Implementation Date	Immediate
Affected Council Areas	All
Keywords / Index	Finance; Treasury Management

Report Summary

1. This report sets out the South-East Wales Corporate Joint Committee's (CJC) performance against its Treasury Management Strategy. The report complies with the requirement of both the 2021 Treasury Management Code and the CIPFA Prudential Code 2021. The Codes state that regular monitoring of the approved indicators should be undertaken and reported at least quarterly in-year.

Recommendations

2. The Corporate Joint Committee is asked to:

   (1) Note a draft report on the 2024/25 Quarter 4 Treasury Management position was considered by the Governance & Audit Sub-Committee at its meeting of the 27 June 2025, at which there were no amendments proposed;

   (2) Note the 2024/25 Quarter 4 Treasury Management Report (Appendix 1) and Prudential Indicators (Appendix 2).

Reasons for Recommendations and Options Considered

3. To ensure the CJC is kept up to date with performance against its Treasury Management Strategy

Background

4. The South-East Wales Corporate Joint Committee (CJC) enacted its Treasury Management Policy on the 1 April 2024. This brought the treasury management arrangements from Cardiff Council (CC), which was the Accountable Body for the Cardiff Capital Region City Deal previously, to the CJC. From 1 April 2024 the CJC entered into a Service Level Agreement with Rhondda Cynon Taff CBC to provide transactional support to our Treasury Management function.

5. The CIPFA Prudential Code 2021 states that regular monitoring of the approved indicators should be undertaken and reported at least quarterly.

6. Performance in previous quarters have been reported to both the CJC and Governance and Audit Sub-Committee.

7. The CJC has a fully funded capital programme and therefore, much of the CIPFA Prudential Code 2021 and associated Prudential Indicators, which have a significant focus on borrowing costs and arrangements, has limited application to the CJC.

Key Considerations

8. The Full Quarter 4 Report is included at **Appendix 1** with Prudential Indicators included as **Appendix 2**.

9. The CJC has undertaken investments in line with the Treasury Management Strategy, investing surplus funds with the UK Government Debt Management Office (DMO) for a 7-day maturity period, along with maintaining a working balance with Barclays Bank to fund weekly cashflow requirements. A summary of the activity during Quarter 4 is set out in the table below:

Table 1: Treasury Investment Position

	31.3.24 Balance £m	Net Movement £m	31.03.25 Balance £m	31.03.25 Income Return %	31.03.25 Weighted Average Maturity Days
Banks & building societies (unsecured)	0.21	0.16	0.37	1.50%	1 day
Government	67.88	-0.35	67.53	4.45%	7 days
Total investments	**68.09**	**-0.19**	**67.90**	**4.43%**	**7 days**

10. Whilst this approach has a low risk-appetite, it has resulted in the CJC achieving interest returns of £0.83m in Quarter 4 and a total sum of £3.104m in financial year 2024/25.

11. This income has not been included within CJC's income base budget and, therefore, the sums received will serve to strengthen its overall balance sheet position and allow it to meet unforeseen costs and/or obligations.

12. During Quarter 4, the CJC undertook short-term (7 days) borrowing of £1m from a Local Authority within the region to meet an anticipated cash-flow pressure.

Compliance

13. All principles in the Treasury Management Code and the CJC's approved Treasury Management Strategy were fully complied with during Quarter 4 and compliance with specific investment limits is demonstrated in the table below:

Table 2 Investment Limits

Sector	2024/25 Maximum	31/03/25 Actual	2024/25 Limit	Complied? Yes/No
The UK Government	£91.7m	£67.5m	Unlimited	Yes
Local authorities & other government entities	£0m	£0m	£5m	Yes
Secured investments	£0m	£0m	£5m	Yes
Banks (unsecured)	£3.3m	£0.37m	£5m	Yes
Building societies (unsecured)	£0m	£0m	£5m	Yes

Registered providers (unsecured)	£0m	£0m	£5m	Yes
Money market funds	£0m	£0m	£5m	Yes
Strategic pooled funds	£0m	£0m	£5m	Yes
Real estate investment trusts	£0m	£0m	£5m	Yes
Other investments	£0m	£0m	£3m	Yes

14. The Treasury Management Strategy sets out counter party organisations that the CJC can invest in with a minimum credit rating target of A. The table below demonstrates full compliance with that target with an actual rating of AA-

	2024/25 Target	**31.03.25 Actual**	**Complied?**
Portfolio average credit rating	A	AA-	Yes

Comments of the s.151 Officer

15. This report sets out the CJC's performance against its Treasury Management Strategy for Quarter 4 of 2024/25 in line with reporting requirements.

16. Investments at low risk yielded £0.83m in interest during the quarter, with cumulative interest for the year of £3.104m.

Comments of the Monitoring Officer

17. The Local Government Act 2003 provides a framework for the capital finance of local authorities, for which purposes include corporate joint committees. It provides a power to borrow and imposes a duty to determine an affordable borrowing limit. It provides a power to invest. Fundamental to the operation of the scheme is an understanding that authorities will have regard to proper accounting practices recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) in carrying out capital finance functions.

18. The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 require the CJC to have regard to the CIPFA publications *"Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes"* ("the Treasury Management Code") and *"The Prudential Code for Capital Finance in Local Authorities"* ("the Prudential Code") in carrying out capital finance functions under the Local Government Act 2003.

Staffing Implications

19. There are no direct staffing implications arising from this report.

Equality, Human Rights and Community Cohesion

20. No adverse equalities implications have been identified.

Well-being of Future Generations

21. Regard has been had to the well-being duty arising under the Well-Being of Future Generations (Wales) Act 2015.

Welsh Language Implications

22. There are no Welsh Language implications arising from this report.

Background Papers

- SEW CJC Meeting 18 March 2024 – Item 07: CJC 2024 2025 Treasury Management Strategy

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Meeting Date: **28 July 2025**

Appendices

Appendix 1 Q4 2024-25 Treasury Management Report
Appendix 2 Q4 2024-25 Prudential Indicators

SEWCJC - Treasury Management Report Q4 2024/25

Introduction

In April 24 the Corporate Joint Committee (CJC) adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the CJC to approve treasury management semi-annual and annual reports.

This full year report provides an additional update and includes the requirement in the 2021 Code of quarterly reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the CJC's normal quarterly revenue and capital monitoring report.

The CJC's Treasury Management Strategy for 2024/25 was approved at a meeting on 18th March 2024. The CJC is required to invest 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 CJC's Treasury Management Strategy.

External Context

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

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

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

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

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

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

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

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

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

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

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

The 10-year UK benchmark gilt yield started the period at 3.94% and ended at 4.69%, having reached a low of 3.76% in September and a high of 4.90% in January in between. While the 20-year gilt started at 4.40% and ended at 5.22%, hitting a low of 4.27% in September and a high of 5.40% in January. The Sterling Overnight Rate (SONIA) averaged 4.90% over the period.

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

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

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

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

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

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

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

Local Context

On 31st March 2025, the Authority had net investments of £67m 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 balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.24 Actual £m	**31.3.25 Actual £m**
General Fund CFR	0	0
Less: *Other debt liabilities	0	0
Loans CFR	**0**	**0**
External borrowing**	0	0
Internal borrowing	0	0
Less: Balance sheet resources	68.0m	67.9m
Net investments	**68.0m**	**67.9m**

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt
** shows only loans to which the Authority is committed and excludes optional refinancing

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

Table 2: Treasury Management Summary

	31.3.24 Balance £m	Movement £m	31.3.25 Balance £m	31.3.25 Rate %
Long-term borrowing	0	0	0	0
- PWLB	0	0	0	0
- LOBOs	0	0	0	0
- Other	0	0	0	0
Short-term borrowing				
Total borrowing	**0**	**0**	**0**	**0**
Long-term investments				
Short-term investments	67.88	-0.35	67.53	4.45%
Cash and cash equivalents	0.21	0.16	0.37	1.50%
Total investments	**68.09**	**-0.19**	**67.90**	**4.43%**
Net investments	**68.09**	**-0.19**	**67.90**	**4.43**

In the previous quarter, Q3, CJC received grant money from the HM Treasury towards CCRCD activities for financial year 24-25.

Borrowing Strategy and Activity

Whilst the CJC's Treasury Management Strategy sets out a clear process for borrowing, in Q4 CJC borrowed £1m for a week for cash flow purposes, otherwise the CJC has not undertaken any borrowing.

Treasury Investment Activity

The CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (revised in 2021) defines treasury management investments as investments that arise from the organisation'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 CJC holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the CJC's investment balances ranged between £39 and £92 million due to timing differences between income and expenditure. The investment position is shown in table 3 below.

Table 3: Treasury Investment Position

	31.3.24 Balance £m	Net Movement £m	31.3.25 Balance £m	31.3.25 Income Return %	31.3.25 Weighted Average Maturity Days
Banks & building societies (unsecured)	0.21	0.16	0.37	1.50%	1 day
Government	67.88	-0.35	67.53	4.45%	7 days
Total investments	**68.09**	**-0.19**	**67.90**	**4.43%**	**7 days**

***Weighted average maturity will apply to the first five categories above and to cash plus and bond funds.*

Both the CIPFA Code and government guidance require the CJC to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The CJC'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.

As demonstrated by the liability benchmark in this report, the CJC 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 5.25% to 5.00% in August 2024, again to 4.75% in November 2024 and again to 4.5% in February 2025 with short term interest rates largely being around these levels. The rates on DMADF deposits ranged between 4.45% and 4.70% and money market rates between 4.5% and 5.3%.

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 4 below.

Table 4: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2024					
31.03.2025	3.7	AA-	0.55%	7	4.43%
Similar LAs	**4.98**	**A+**	**32%**	**102**	**4.96%**
All LAs	**4.77**	**A+**	**64%**	**8**	**4.80%**

*Weighted average maturity

Treasury Performance

The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 5 below.

Table 5: Performance

	Actual £m	Budget £m	Over/ under	Actual %	Benchmark %	Over/ under
Total borrowing	**0**	**0**	**0**	**0**	**0**	**0**
PFI and Finance leases	0	0	0	0	0	0
Total debt	0	0	0	0	0	0
DMO	67.53	67.53	0	4.45%	4.45%	0
Total treasury investments	**67.53**	**67.53**	**0**	**4.45%**	**4.45%**	**0**

Compliance

The Section 151 Officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the CJC's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	2024/25 Maximum	31.3.25 Actual	2024/25 Limit	Complied? Yes/No
The UK Government	91.7m	67.53m	Unlimited	Yes
Local Authorities & other government entities	**0m**	**0m**	**5m**	Yes
Secured investments *	**0m**	**0m**	**5m**	Yes
Banks (unsecured) *	**3.3m**	**0.37m**	**5m**	Yes
Building societies (unsecured) *	**0m**	**0m**	**5m**	Yes
Registered providers (Unsecured) *	**0m**	**0m**	**5m**	Yes
Money Market Funds	**0m**	**0m**	**5m**	Yes
Strategic pooled funds	**0m**	**0m**	**5m**	Yes
Real Estate Investment Trusts	**0m**	**0m**	**5m**	Yes
Other investments	**0m**	**0m**	**5m**	Yes

Treasury Management Prudential Indicators

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

1. Liability Benchmark**:**

This indicator compares the CJC's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. As the CJC currently has no borrowing and is not forecasted to borrow in the medium-term, this indicator is not applicable.

2. 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:

	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£0m	£0m	£0m	£0m
Actual principal invested beyond year end	£0m	£0m	£0m	£0m
Complied?	n/a	n/a	n/a	n/a

Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Additional indicators

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	2024/25 Target	31.3.25 Actual	Complied?
Portfolio average credit rating	A	AA-	Yes

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

	31.3.25 Actual	2024/25 Target	Complied?
Total cash available within 3 months	£67.53m	£5m	Yes
Total sum borrowed in past 3 months without prior notice	£1.0m	£1m	Yes

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. Bank Rate fell by 0.75% from 5.25% on 1st April 2024 to 4.5% by 31st March 2025.

Interest rate risk indicator	2024/25 Target	31.3.25 Actual	Complied?
Upper limit on one-year revenue impact of a 1% rise in interest rates	£0.5m	£0.5m	Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	£0.5m	£0.5m	Yes

For context, the changes in interest rates during the year were:

	31/3/24	31/3/25
Bank Rate	5.25%	4.50%
1-year PWLB certainty rate, maturity loans	5.36%	4.82%
5-year PWLB certainty rate, maturity loans	4.68%	4.97%
10-year PWLB certainty rate, maturity loans	4.74%	5.42%
20-year PWLB certainty rate, maturity loans	5.18%	5.91%
50-year PWLB certainty rate, maturity loans	5.01%	5.67%

The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.

SEWCJC - Prudential Indicators Q4 2024/25

The Corporate Joint Committee measures and manages its capital expenditure, borrowing and commercial and service investments (where applicable) with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

The non-treasury prudential indicators are incorporated in the CJC's normal quarterly revenue and capital monitoring report.

Capital Expenditure: The CJC has undertaken and is planning capital expenditure as summarised below:

	2023/24 actual £m	2024/25 actual* £m	2025/26 budget £m	2026/27 budget £m
General Fund services	0	0	0	0
Council housing (HRA)	0	0	0	0
Capital investments	40.71	48.49	52.31	52.91

* £0m of capital expenditure in 2024/25 arises from a change in the accounting for leases and does not represent cash expenditure.

The liability benchmark is an important tool to help establish whether the CJC is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the CJC must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow. However, as the CJC is expected to be a long-term investor, it is more appropriate to use an asset benchmark.

Prudential Indicator: Asset benchmark

	31.3.24 Actual £m	31.3.25 actual £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m
Loans CFR	**0**	**0**	**0**	**0**	**0**
Plus: Balance sheet resources	65.0	**67.0**	67.8	71.0	82.9
Plus: Equity Sales	0	**0**	0	0	10
Net investments	65.0	**67.9**	67.8	71.0	82.9
Less: Liquidity allowance	0	**0**	0	0	0
Asset benchmark	**65.0**	**67.9**	67.8	71.0	82.9

Capital Financing Requirement: The CJC's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR).

	31.3.2024 actual £m	31.3.2025 actual £m	31.3.2026 budget £m	31.3.2027 budget £m
General Fund services	0	0	0	0
Council housing (HRA)	0	0	0	0
Capital investments	40.71	48.49	52.31	52.91
TOTAL CFR	**0**	**0**	**0**	**0**

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 CJC has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	31.3.2024 actual £m	31.3.2025 actual £m	31.3.2026 budget £m	31.3.2027 budget £m	Debt at 31.03.2025 £m
Debt (incl. PFI & leases)	0	0	0	0	0
Capital Financing Requirement	0	0	0	0	0

Debt and the Authorised Limit and Operational Boundary: The CJC is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

	Maximum debt 2024/25 £m	Debt at 31.03.25 £m	2024/25 Authorised Limit £m	2024/25 Operational Boundary £m	Complied? Yes/No £m
Borrowing	0	0	0	0	Yes
PFI and Finance Leases	0	0	0	0	Yes
Total debt	0	0	0	0	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Treasury Management Indicators: These indicators (Liability Benchmark, Maturity Structure of Borrowing, Long-Term Treasury Management Investments are within the [Treasury Management Report Q1 2024/25].