

1. Treasury Management Indicators

- 1.1 The Council measures and manages its exposures to treasury management risks using the following indicators:

- 1.2 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its internally managed 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.

Credit risk indicator	Actual 30/09/2026	Minimum
Portfolio average credit rating	AA+	AA-

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

Liquidity risk indicator	Actual 30/09/2026	Minimum
Total cash available within 3 months	£120.9m	£75m

- 1.4 **Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Actual 30/09/2026	Upper Limit
One-year revenue impact of a 1% <u>rise</u> in interest rates	£1.3m	£10m
One-year revenue impact of a 1% <u>fall</u> in interest rates	-£1.3m	-£10m

- 1.5 **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

	Actual 30/09/2026	Upper limit	Lower limit
Under 12 months	4.0%	100%	0%
12 months and within 5 `years	0.0%	50%	0%
5 years and within 10 years	17.6%	50%	0%
10 years and within 20 years	31.0%	50%	0%
20 years and within 40 years	38.0%	50%	0%
40 years and longer	9.4%	50%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 1.6 **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2026/27	2027/28	2028/29	No Fixed Date
Limit on principal invested beyond year end	£100m	£80m	£50m	£220m
Actual as at 30 September 2026	£10.2m	£10.2m	£0.0m	£210.7m