BDC TREASURY MANAGEMENT – OUTTURN 2025/26

Capital Financing Requirement

The key area of Treasury Management is the measurement and control of the overall debt position of the Council. This is calculated through the Capital Financing Requirement (CFR). The CFR calculates the Council's underlying need to borrow in order to finance its capital expenditure. The revised estimate of the CFR for 2025/26 and the actual outturn CFR are shown in the table below: -

	Current Budget 2025/26 £000	Actual Outturn 2025/26 £000
Capital Financing Requirement 1 April 2025	**129,960**	**129,960**
Prudential Borrowing HRA	12,869	9,898
Minimum Revenue Provision (MRP)	(380)	(380)
Additional Voluntary Contributions	0	(53)
Movement on other debt – retentions	0	281
Capital Financing Requirement 31 March 2026	**142,449**	**139,706**

The overall outturn position shows a net increase of outstanding debt of £9.746m in 2025/26 when compared to the opening CFR. Prudential borrowing has been undertaken by the Council in 2025/26 totalling £9.898m on new HRA Council Dwellings and the Crematorium at Shirebrook.

The Capital Financing requirement is split between the HRA and General Fund, the balance of each is shown below:

Capital Financing Requirement at 31 March 2026	**£000**
General Fund	17,100
Housing Revenue Account	122,606
Total CFR	**139,706**

How the CFR is covered.

As mentioned above the CFR is the Council's underlying need to borrow to finance capital expenditure. To finance the CFR the Council has external borrowing and the use of its own reserves and balances. The position as at 31 March 2026 is as follows:

	£000
Capital Financing Requirement 31 March 2026	139,706
Financed from:	
External Borrowing via PWLB	76,800
Use of internal balances and reserves	62,906
Total Financing of CFR	**139,706**

PWLB Borrowing

The Council's total outstanding PWLB debt amounted to £78.800m at 1 April 2025. During 2025/26 £2m of principal has been repaid. No new loans have been taken out with the PWLB during 2025/26. The profile of the outstanding debt is analysed as follows: -

PWLB BORROWING Term	Maturity Profile 31 March 2025 £	Maturity Profile 31 March 2026 £
12 Months	2,000,000	3,000,000
1 - 2 years	3,000,000	7,800,000
2 - 5 years	15,800,000	12,000,000
5 - 10 years	23,000,000	24,000,000
Over 10 years	35,000,000	30,000,000
Total PWLB Debt	**78,800,000**	**76,800,000**

PWLB Interest

The interest cost to the Council of the PWLB debt for 2025/26 is £2.655m. The cost is split within the accounts between the HRA and General Fund based on the level of debt outstanding within the CFR.

Temporary Borrowing

Cash flow monitoring and management serves to identify the need for short-term borrowing to cover delays in the receipt of income during the course of the year. During 2025/26 no short-term borrowing was undertaken by the Council and therefore no interest charges were incurred.

Temporary / Fixed Investments

The table below details the fixed investments held at 31 March 2026

Bank Name	**Balance Invested 31 March 26 £000**
Call Accounts	
Money Market Funds	17,200
Total	**17,200**

From the table above it can be seen that the balance invested by the Council at 31 March 2026 is £17.200m. Interest earned from temporary investments during 2025/26 amounted to £0.992m and is detailed in the following table:

	Average Period each Investment	**Total Investment during year £**	**Interest Received 2025/26 £**
Money Market Funds	Overnight	Average interest rate 4.09%	992,157
Total			**992,157**

Overnight Balances

The balance of any daily funds is retained in the Council's general account with Lloyds Bank.

Compliance with Treasury Limits

During the financial year the Council continued to operate within the treasury limits set out in the Council's Borrowing and Investment Strategy.

	Actual in year 2025/26 £000	**Set Limits in year 2025/26 £000**
Authorised (total Council external borrowing limit)	144,706	147,449
Operational Boundary	149,706	152,449