Suffolk Police and Crime Commissioner

Making Suffolk a safer place to live, work, travel and invest

ORIGINATOR: CHIEF FINANCE OFFICER

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SUBMITTED TO: AUDIT COMMITTEE – 24 JULY 2026

SUBJECT: Treasury Outturn Report 2025/26

Summary

1. This report presents the annual Treasury Outturn Report for 2025/26 in line with CIPFA's Code of Practice on Treasury Management and the PCC's 2025/26 Investment and Treasury Management Strategy.

2. The report provides detail of outturn prudential and treasury indicators compared to the estimates published within the 2025/26 Investment and Treasury Management Strategy.

3. The report shows that at no point during the financial year 2025/26 has external borrowing exceeded the Authorised Limit or the Capital Financing Requirement.

4. At no point during the year did the PCC invest with borrowers outside of the strategy rating criteria or did lending exceed the specified counterparty limits without CFO approval.

Recommendation

1. The Audit Committee are invited to consider the contents of the report.

Annual Treasury Outturn Report for the year 2025/26

This is a backward-looking review document and provides details of a selection of outturn prudential and treasury indicators compared to the estimates published within the 2025/26 Investment and Treasury Management Strategy (The Strategy). The Strategy was published in February 2025 and provides a background narrative to the Prudential and Treasury Management Codes of Practice and its application by the PCC and Constabulary.

Indicators relating to Capital and Borrowing

Capital Expenditure Outturn

	2025-26 Outturn £m	2025-26 Strategy £m	Variance £m
Capital Expenditure	5.589	15.601	(10.012)
ROU Leases - Additions and Adjustments	0.130	0.000	0.130

Capital Financing Requirement

Capital Financing Requirement		
31/03/26 Outturn	31/03/26 Strategy	Variance
£m	£m	£m
33.463	40.146	(6.683)

The capital financing requirement represents capital expenditure not yet financed by capital receipts, revenue contributions or capital grants. It measures the underlying need to borrow for capital purposes, although this borrowing may not necessarily take place externally.

The Ratio of Capital Financing Costs to Net Revenue Budget

Ratio of Capital Financing Costs to Net Revenue Budget		
31/03/26 Outturn	31/03/26 Strategy	Variance
1.76%	1.73%	0.03%

This indicator shows the annual revenue costs of borrowing (net interest payable on debt and the minimum revenue provision for repaying the debt), as a proportion of annual income from local taxation and non-specific government grants. The amounts include PFI and Lease MRP and interest costs.

Authorised Limit and the Operational Boundary Limit for External Debt

The guidance on net borrowing for capital purposes advises that:

'In order to ensure that over the medium-term gross debt will only be for a capital purpose, the local authority should ensure that gross external debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.'

The Code defines the authorised limit for external debt as the sum of external borrowing and any other financing long-term liabilities e.g. finance leases. These limits are consistent with the capital programme but provide headroom to allow for operational management, for example unusual cash movements.

Authorised Limit for External Debt			
	31/03/26 Outturn £m	31/03/26 Strategy £m	Variance £m
PWLB borrowing	5.139	5.139	(0.000)
Other long term liabilities (PIC PFI and ROU Lease Liabilities)	19.705	20.005	(0.300)
Headroom	10.292	17.009	(6.717)
Total	**35.136**	**42.153**	**(7.017)**

The Code also requires the PCC to approve an operational boundary limit for external debt**.** The operational boundary for external debt is the same calculation as the authorised limit without the additional headroom. The operational boundary represents a key management tool for in year monitoring and represents the underlying planned external borrowing requirement.

Operational Boundary Limit for External Debt			
	31/03/26 Outturn £m	31/03/26 Strategy £m	Variance £m
PWLB borrowing	5.139	5.139	(0.000)
Other long term liabilities (PIC PFI and ROU Lease Liabilities)	19.705	20.005	(0.300)
Total	**24.844**	**25.144**	**(0.300)**

At no point during the year 2025/26 has external borrowing exceeded the Authorised Limit or the Capital Financing Requirement.

Investments and Return

At 31 March 2026 the PCC held the following investments and instant access balances

CURRENT INVESTMENTS				
t	Repay	Borrower	Rate	Amount
05/01/2026	06/07/2026	Al Rayan Bank	4.05%	£10,000,000
07/01/2026	07/07/2026	DBS Bank Ltd	3.93%	£3,000,000
07/01/2026	07/07/2026	Goldman Sachs Intl	3.96%	£5,000,000
05/01/2026	07/07/2026	Goldman Sachs Intl	3.96%	£5,000,000
10/03/2026	10/09/2026	DBS Bank Ltd	3.84%	£5,000,000
06/03/2026	Instant Access	Lloyds Bank	3.51%	£5,000,000
10/03/2026	Instant Access	Lloyds Bank	3.51%	£2,000,000
27/03/2026	Instant Access	Lloyds Bank	3.51%	£2,500,000
16/03/2026	Instant Access	CCLA	3.75%	£2,000,000
17/03/2026	Instant Access	CCLA	3.75%	£3,000,000
06/07/2021	Instant Access	Santander UK	1.81%	£250,000
				£42,750,000

In addition, the PCC held bank balances of £0.442m.

The average daily balances held in investment and instant access balances during the year amounted to £50.405m

The Strategy requires investments to be placed on a "high security and high liquidity" basis with high credit rated borrowers, this basis naturally results in lower investment returns. During the year the PCC earned £2.065m on investment returns, yielding an average rate of 4.10%, the equivalent SONIA average daily rate for the year was 4.01%.

At no point during the year did the PCC invest with borrowers outside of the strategy rating criteria or did lending exceed the specified counterparty limits without CFO approval.