

Audit Committee Meeting	
Meeting Date	22 April 2026
Report Title	Treasury Management Quarterly Report April - December 2025
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Claire Stanbury, Head of Finance and Procurement
Lead Officer	Olga Cole, Management Accountant
Classification	Open
Recommendations	1. To note the performance information in this report. 2. To note the prudential and treasury management indicators within the report.

1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to review the Quarter 3 position on treasury management transactions for 2025/26, including compliance with treasury limits and Prudential and Treasury Management Indicators.
- 1.2 In February 2021 the Council 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 Council to approve treasury management semi-annual and annual reports. This quarterly report provides an additional update.
- 1.3 This report includes the new requirement in the 2021 code of quarterly reporting of the treasury management prudential indicators.
- 1.4 The Council's Treasury Management Strategy for 2025/26 was approved at a meeting of full Council on 19 February 2025, and amended as agreed at full council on 1 October 2025. The Council has invested and borrowed 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 is therefore central to the Council's Treasury Management Strategy.
- 1.5 In conclusion, the Council reports that all treasury management activity undertaken in the period has complied with its Prudential Indicators for 2025/26 which were updated in October 2025 as part of the Council's Treasury Management Strategy Statement. The Council is required to report on the highly technical Prudential Indicators. There are no issues of concern to highlight with Members. The indicators are based on approved commitments and the current budget.

2 External Context

- 2.1 **Economic background:** Early in the first quarter was dominated by US trade tariffs and the negative impact on equity and bond markets. While this was reversed somewhat in the second quarter with equity markets making gains, it also saw a divergence in US and UK government bond yields. UK yields persisted at higher levels as investors demanded higher returns in the form of term premia due to the more uncertain UK fiscal and economic position.
- 2.2 The latter part of the period included the government's November autumn Budget. Despite much speculation and drip-feeding of potential policies in the weeks leading up to the event, what was ultimately announced was generally deemed more muted than had been anticipated, helping ease investors' fears of significantly higher government borrowing.
- 2.3 UK consumer price index (CPI) inflation was 3.2% in November 2025, down from 3.6% in the previous month and lower than the 3.5% expected, but still well above the Bank of England (BoE) target of 2%.
- 2.4 According to the Office for National Statistics (ONS), the UK economy expanded by 0.7% in the first quarter of the calendar year, by 0.3% in Q2 and by 0.1% in Q3. Of the subsequent monthly figures, the ONS estimated that GDP fell by 0.1% in October.
- 2.5 The labour market continued to ease over the period as unemployment rose, vacancies fell and inactivity remained flat. In the three months to October 2025, the unemployment rate rose to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%.
- 2.6 The Bank of England's Monetary Policy Committee (MPC) voted 5-4 to cut Bank Rate to 3.75% in December 2025, as was expected. Policymakers wanting a cut judged that disinflation was established while those preferring to hold Bank Rate at 4% argued that inflation risks remained sufficiently material to leave it untouched at this stage.
- 2.7 Arlingclose, the Council's treasury adviser, held a central view that Bank Rate would be cut further in 2025/26 with most BoE policymakers remaining more worried about weak GDP growth than higher inflation. In line with Arlingclose's central forecast, Bank Rate was reduced to 3.75% in December. Further cuts are expected in 2026, with the central forecast being that Bank Rate will be eased to around 3.25%. Arlingclose's Economic and Interest Rate Forecast for the remainder of 2025/26 (based on 9th February 2026 forecast) is shown below.

	Current	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

- 2.8 **Financial markets:** After declining sharply early in the period, sentiment in financial markets has been mostly buoyant, but risky assets remained volatile. Bond yields initially declined early in the period, but increasing uncertainty

around the UK's economic and fiscal outlook caused medium and longer yields to rise. Yields remained elevated until the third quarter when the potential negative impact of the UK Budget were deemed less than expected and yields eased modestly.

- 2.9 **Credit review:** Arlingclose maintained its recommended maximum unsecured duration limit on most of the banks on its counterparty list at 6 months. The other banks remain on 100 days.
- 2.10 Earlier in the period, Fitch upgraded NatWest Group and related entities to AA- from A+ and placed Clydesdale Bank's long-term A- rating on Rating Watch Positive. Fitch later upgraded Clydesdale Bank and HSBC, but downgraded Lancashire CC and Close Brothers.
- 2.11 Financial market volatility is expected to remain, and CDS levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Council's counterparty list recommended by Arlingclose remain under constant review.

Borrowing Strategy and Activity

- 2.12 As outlined in the treasury strategy, the Council's chief objective when borrowing has been to strike an appropriate risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 2.13 After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Except in the much long term gilt yields have decreased slightly over the period, reflecting expectations of lower interest rates, a tepid economy and to some extent an improvement in the UK governments fiscal position following tax rises in the autumn budget.
- 2.14 The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.34% at the end. The lowest available 10-year maturity certainty rate was 5.17% and the highest was 5.62%. Rates for 20-year maturity loans ranged from 5.71% to 6.30% during the period, and 50-year maturity loans from 5.46% to 6.14%. The cost of short-term borrowing from other local authorities has been similar to Base Rate during the period at 4.0% to 4.5%.
- 2.15 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Council has no new plans to borrow to invest primarily for financial return.

- 2.16 At 31 December 2025 the Council held £12m of loans, (a decrease of £1m to 31st March 2025) as part of its strategy for funding previous (and current) years' capital programmes. Outstanding loans are detailed in the table below.

Counterparty	Start Date	Maturity Date	Rate	Principal Outstanding (£)
Spelthorne Borough Council	02/04/25	02/04/26	4.80%	2,000,000
Tamworth Borough Council	10/04/25	10/04/26	4.82%	3,000,000
Ashfield District Council	07/05/25	07/05/26	4.80%	3,000,000
Ashfield District Council	08/07/25	08/07/26	4.28%	2,000,000
Amber Valley Borough Council	01/09/25	01/09/26	4.25%	2,000,000
Total Borrowing				12,000,000

Treasury Management Investment Activity

- 2.17 CIPFA revised TM Code defines treasury management investments as those which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.
- 2.18 Both the CIPFA Code and government guidance require the Council 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 Council'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.
- 2.19 The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown. These counterparties were agreed by Council earlier this year when the 2025/26 Treasury Strategy was approved.

Counterparty	Time Limit	Cash Limits
The UK Government	50 years	Unlimited
Local Authorities and other government entities	25 years	£3m
Major UK banks / building societies unsecured deposits*	13 months	£3m
Money Market Funds*	n/a	£3m each
Strategic Pooled Funds	n/a	£3m each
CCLA Property Fund**	n/a	£3m
Registered providers (unsecured) *	5 years	£3m in aggregate
Secured Investments *	25 years	£3m in aggregate
Other Investments *	5 years	£3m in aggregate
Non treasury investments	As per credit advice	To be agreed on a case by case basis

* **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

**These funds have no defined maturity dates but are available for withdrawal after a notice period.

- 2.20 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances ranged between £10.7 and £37.0 million due to timing differences between income and expenditure. The investment position is shown in table below.

Counterparty	Long-Term Rating	Rate	Principal O/S (£)
Invesco Money Market Fund	AAAmmf	3.90%	3,000,000
Morgan Stanley Money Market Fund	AAAmmf	3.84%	3,000,000
BlackRock Black Rock Money Market Fund	AAAmmf	3.87%	3,000,000
Deutsche Money Market Fund	AAAmmf	3.80%	2,678,000
Golden Sachs Money Market Fund	AAAmmf	3.84%	2,150,000
SSgA Money Market Fund	AAAmmf	3.83%	3,000,000
Aberdeen Money Market Fund	AAAmmf	4.75%	3,000,000
CCLA Local Authorities Property Fund	N/A	4.26%	3,000,000
Total Investments			22,828,000

- 2.21 The Council's budgeted investment income for the nine months to 31 December 2025 was £507k and the actual income received was £699k.
- 2.22 The results for the nine months to 31 December 2025 show that the Council achieved 0.43% average return below the average Sterling Overnight Index Average (SONIA) and 0.46% average return rate below the average Bank of England Base Rate.

Externally Managed Pooled Funds

- 2.23 The Council has £3m invested in an externally managed property fund, which is the CCLA property fund, where short term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long term price stability. The fund generated an average total return of 4.26%, comprising of a £95k income return. This income is included in the investment income totals reported above.
- 2.24 Capital values in UK commercial property continued to recover as demand returned to the sector. Demand for office space has been improving but the

main drivers of performance continued to be industrial and retail warehouse spaces.

- 2.25 Since this fund has no defined maturity date, but is available for withdrawal after a 6 months' notice period, its performance and continued suitability in meeting the Council's investment objectives are regularly reviewed. Considering its performance and the Council's latest cash flow forecasts, investment in this fund has been maintained. Strategic fund investments are made in the knowledge that capital values will move both up and down over months and even years; but with the confidence that over the medium term total returns will exceed cash interest rates.
- 2.26 **Statutory override:** Further to consultations in April 2023 and December 2024 MHCLG wrote to finance directors in England in February 2025 regarding the statutory override on accounting for gains and losses in pooled investment funds. On the assumption that when published regulations follow this policy announcement, the statutory override will be extended up until the 1st April 2029 for investments already in place before 1st April 2024. The override will not apply to any new investments taken out on or after 1st April 2024. The Council has set up a reserve of £350k to mitigate the impact of the statutory override not being extended. In view of the fact that the override may not be extended past 2029 the Council has decided to maintain this reserve. The Council's pooled fund investment was taken out prior to 1 April 2024, so should be subject to the extended override.

Non-Treasury Investments

- 2.27 The definition of investments in the Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return). As at 31 March 2025 the Council held £3.984 million of a longstanding portfolio of 11 investment properties within the borough. These investments generated £254,000 of investment income for the Council in 2024/25 after taking account of direct costs, representing a rate of return of 6.38%

Compliance with Prudential Indicators

- 2.28 The Head of Finance and Procurement reports that all treasury management activities undertaken during the period complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy (as amended). Compliance with specific investment limits is demonstrated in Appendix II below. There are no issues of concern to highlight with Members. The indicators are based on approved commitments and the current budget.
- 2.29 Prudential and Treasury Management Indicators are set out in Appendix II.

3 Proposals

3.1 No changes are proposed at this stage.

4 Alternative Options Considered and Rejected

4.1 The Head of Finance and Procurement will consider changes to the counterparty criteria with reference to the Council's agreed policy with regard to risk.

5 Consultation Undertaken or Proposed

5.1 Consultation has been undertaken with the Council's treasury management consultants Arlingclose.

6 Implications

Issue	Implications
Corporate Plan	Supports delivery of the Council's objectives.
Financial, Resource and Property	As detailed in the report.
Legal, Statutory and Procurement	CIPFA produce a framework for managing treasury activities, called a 'Code'. Councils are legally required to have regard to this Code and members of CIPFA are expected to comply with its requirements. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the MHCLG Guidance.
Crime and Disorder	Following CIPFA's Treasury Management Code of Practice is important to avoid involvement in potential fraud or money laundering.
Environment and Climate/Ecological Emergency	The Council does not own any shares or corporate bonds so there are no ethical investment considerations to be met.
Health and Wellbeing	Not relevant to this report.
Safeguarding of Children, Young People and Vulnerable Adults	Not relevant to this report.
Risk Management and Health and Safety	Risk is controlled through adherence to specific guidance included in CIPFA's Treasury Management Code of Practice. The principle of security of funds over-rides investment performance.
Equality and Diversity	Not relevant to this report.

Privacy and Data Protection	Not relevant to this report.
Local Government Reorganisation	Not relevant to this report.

7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report.
- Appendix I: Investments and Borrowing Activities as at 31 December 2025
 - Appendix II: Prudential and Treasury Management Indicators

8 Background Papers

- 8.1 Treasury management strategy as approved at full council on 19 February 2025, and amended treasury management strategy as approved at full council on 1 October 2025.

Investment and Borrowing Levels

Appendix I

Investments and Borrowing Activities as at 31 December 2025

Investment Activity in 2025/26

Investments	Balance on 01/04/2025 £'000	Investments Made £'000	Investments Repaid £'000	Balance on 31/12/2025 £'000	Average Rate %
Short Term Investments & Money Market Funds	7,910	180,422	(168,504)	19,828	3.67
Pooled Property Fund	3,000	0	0	3,000	4.26
TOTAL INVESTMENTS	10,910	180,422	(168,504)	22,828	

Borrowing Activity in 2025/26

Borrowing	Balance on 01/04/2025 £'000	Borrowing Made £'000	Borrowing Repaid £'000	Balance on 31/12/2025 £'000	Average Rate %
External Borrowing	13,000	12,000	(13,000)	12,000	4.63
Total Borrowing	13,000	12,000	(13,000)	12,000	

The average rate on the Council's loans at 31 December 2025 was 4.63%.

Non-Treasury Investments

The definition of investments in the Treasury Management Code covers all the financial assets of the Council, as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and/or for commercial purposes (made primarily for financial return).

The Council holds £3.984m of a long-standing portfolio of 11 investment properties within the borough (£3.896m March 2024). These investments generated £254,000 of annual investment income for the Council after taking account of direct costs, representing a rate of return of 6.4% (5.7% March 2024).

1. Background

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in local authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Gross Debt and the Capital Financing Requirement (CFR)

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that 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 increases to the capital financing requirement for the current and next two financial years.

Capital Financing Requirement	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£'000	£'000	£'000	£'000
Capital Financing Requirements	62,654	74,800	80,500	80,300
External Borrowing	(13,000)	(37,500)	(48,000)	(50,500)
Cumulative External Borrowing Requirements	49,654	37,300	32,500	29,800

External Borrowing: as at 31 December 2025 the Council had £12 million of external borrowing – please see Appendix I for further details.

3. Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

Capital Expenditure and Financing	2024/25 Actual	2025/26 Original Estimate	2026/27 Original Estimate	2027/28 Original Estimate
	£'000	£'000	£'000	£'000
Total Expenditure	16,827	21,626	4,935	2,745
Source of Funding				
Capital grants and other contributions	7,765	13,616	2,725	2,725
Reserves	130	210	210	20
Borrowing	8,932	7,800	2,000	0
Total Financing	16,827	21,626	4,935	2,745

4. Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability, highlighting the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code. The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Financing costs (£'000)	2,376	2,441	2,773	2,771
Total	7.61%	9.10%	10.07%	9.90%

5. Actual External Debt

This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/12/2025	£'000
Borrowing	12,000
Other Liabilities	3,169
Total	15,169

6. Authorised Limit and Operational Boundary for External Debt

The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long- and short-term borrowing, overdrawn bank balances and long-term liabilities). This Prudential Indicator separately identifies borrowing from other long-term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing, and its approved treasury management strategy and practices.

The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Compliance with the authorised limit for external debt is demonstrated in table below.

Authorised Limit and Total Debt	2025/26 Limit £'000	31/12/2025 Actual Debt £'000	Complied
Borrowing	55,000	12,000	✓
Other Long-Term Liabilities	9,000	3,169	✓
Total Authorised Limit	64,000	25,169	✓

The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst-case scenario but without the additional headroom included within the Authorised Limit.

Operational Boundary	2025/26 Boundary £'000	31/12/2025 Actual Debt £'000	Complied
Borrowing	45,000	12,000	✓
Other Long-term Liabilities	5,000	3,169	✓
Total Debt	50,000	15,169	✓

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

The Head of Finance and Procurement confirms that there were no breaches to the revised Authorised Limit and the Operational Boundary during the period to 31 December 2025.

7. Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

Upper Limit for Interest Rate Exposure	Actual level at 31/12/25	2025/26 Approved Limit	Complied
Interest on fixed rate borrowing	100%	100%	✓
Interest on fixed rate investments	-0%	-100%	✓
Interest on variable rate borrowing	0%	100%	✓
Interest on variable rate investments	-100%	-100%	✓

8. 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 all borrowing were:

Maturity structure of borrowing	Existing level at 31/12/25 %	Lower Limit for 2025/26 %	Upper Limit for 2025/26 %	Complied
Under 12 months	100	0	100	✓
12 months and within 24 months	0	0	100	✓
24 months and within 5 years	0	0	100	✓
5 years and within 10 years	0	0	100	✓
10 years and above	0	0	100	✓

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.

9. Credit Risk

The Council considers security, liquidity and yield, in that order, when making investment decisions. Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- sovereign support mechanisms;
- credit default swaps (where quoted);
- share prices (where available);
- economic fundamentals, such as a country's net debt as a percentage of its GDP;
- corporate developments, news, articles, markets sentiment and momentum; and
- subjective overlay.

The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

The Head of Finance and Procurement confirms that there were no breaches to counterparty limits or credit ratings at the time of placing investments.

10. Long-term Treasury Management Investments

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 prudential limits on the long-term treasury management limits are:

	2024/25 £'000	2025/26 £'000	2026/27 £'000	No fixed date £'000
Limit on principal invested beyond year end	10,000	10,000	10,000	10,000
Actual principal invested beyond year end	0	0	0	3,000
Complied?	✓	✓	✓	✓

11. Investment Benchmarking for the nine months to 31 December 2025

Average Actual Return on Investments	Original Estimated Return on Investments	Average Bank Base Rate	Average Overnight SONIA Rate
3.67%	4.28%	4.14%	4.10%

12. Liability Benchmark

This indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making.

	31.3.25 Actual £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
Loans CFR	62.7	68.4	68.1	65.9	63.6
Less: Balance sheet resources	(57.5)	(58.9)	(60.4)	(61.9)	(63.5)
Net loans requirement	5.2	9.5	7.7	4.0	0.1
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
Liability benchmark	15.2	19.5	17.7	14.0	10.1

The long-term liability benchmark above assumes capital expenditure funded by borrowing, minimum revenue provision on new capital expenditure based on income, expenditure and reserves all increasing by inflation and appropriate asset life values (8 years for waste vehicles, 50 years for all other assets).

