

COUNCILLORS' INFORMATION BULLETIN (FORMERLY SCRUTINY BULLETIN)

The papers attached are primarily for Councillors' information but will be made publicly available on the internet, with the exception of Part 2 items. They may relate to work in progress or updates on reports which have already been considered by the Scrutiny Committees.

The provision of this information does not override the authority of the Standing Orders as set out in the Council's Constitution. For example, Councillors remain entitled to ask for a specific item to be placed on a Scrutiny agenda, request a call-in or to ask questions of a Portfolio Holder.

If require further information please contact Jo Quinnell, Assistant Democratic Services Officer at democratic.services@exeter.gov.uk

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SCRUTINY PROGRAMME BOARD

Tuesday 11 November 2025

Present:

Councillor Williams, M (Chair)
Councillors Rees, Pole and Cookson

Apologies:

Councillor K Mitchell

Also Present:

Democratic Services Manager (LS)

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SCRUTINY NOTE

The Scrutiny Note of the previous meeting held on 31 March 2025 was agreed as a true and accurate record.

70

SCRUTINY PROPOSALS SUBMITTED BY MEMBERS

The item regarding Unauthorised Encampments was discussed and agreement reached to allocate to the Strategic Scrutiny Committee. During discussion it was noted that the relevant policy had been written prior to 2021 legislation. The Democratic Services Manager agreed to ask SMB to review the timescale for this item.

The item regarding Bike Hubs was discussed and agreement reached to allocate to the Strategic Scrutiny Committee. During discussion it was noted that the LCWIP detailed cycle routes but not bike parking, that there was to be a pilot project trialling on-street bike hangers which would be undertaken by Devon County Council and that the Transport Working Group had considered this topic.

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TIMETABLE PORTFOLIO HOLDER UPDATES

Discussion took place regarding the Leader's Portfolio Holder Update to each committee. During discussion it was agreed to suggest January 2026 on the understanding that given LGR this may not be possible.

The Democratic Services Manager agreed to check which committee the Portfolio Holder for City Development should report to.

72

REVIEW WORK PLANS

Work plans for each committee were reviewed and discussion took place regarding potential timetabling for new proposals received.

At 11am the Board observed two minutes silence as a sign of remembrance.

73

SCRUTINY PRIORITIES 2025/26

The Chair introduced the item making the following points:

- a number of items had been inherited by each committee and proformas had added to their workplans;
- it was good to hear updates from Portfolio Holders;
- Budget scrutiny had been a useful addition as well as South West Water, and Stagecoach.

Councillor Pole, as Chair of the Strategic Scrutiny Committee noted that a member of the Public Health team would attend committee to answer questions on the item on Air Quality which was extremely positive.

It was noted by the Board that each committee had a full work plan and special meetings may need to be added in order to accommodate all priorities.

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SCRUTINY ANNUAL REPORT

The Chair introduced the item stating that it would be good to demonstrate impact in the annual report.

The Board agreed to consider drafting the Annual Scrutiny Report at a meeting early in March 2026 to allow time for amendments which hadn't been possible previously and that this would take a similar workshop form to that undertaken in the current year.

(The meeting commenced at 10.00 am and closed at 11.30 am)

Chair

SCRUTINY PROGRAMME BOARD

Wednesday 4 March 2026

Present

Councillor Williams, M (Chair)
Councillors Rees, Pole and Cookson

Apologies

Councillor Mitchell, K.

Also Present

Democratic Services Manager

80

ITEMS REFERRED TO SCRUTINY

Following discussion the Unadopted Housing Developments motion, point 7, the matter of monitoring the implementation of the resolutions be referred to the relevant Scrutiny Committee, was allocated to the Strategic Scrutiny Committee.

It was suggested that a traffic light report along with a verbal update be brought to Strategic Scrutiny Committee.

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SCRUTINY PROPOSALS SUBMITTED BY MEMBERS OF THE COUNCIL

The proposal from Councillor Wetenhall regarding Community Land Trusts was allocated to the Strategic Scrutiny Committee. It was agreed that the Democratic Services Manager would ask the Strategic Director whether an update within the relevant Portfolio Holder's report or for guidance on the format of future scrutiny.

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SCRUTINY NOTE

The Scrutiny Note of the previous meeting held on 8 January 2026 was agreed subject to a typographical correction from 'OT' to 'It'.

83

REVIEW WORK PLANS

It was noted that each committee was maintaining an up-to-date work plan with the Chair and Deputy of each reviewing this at Chair's briefings.

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SCRUTINY PRIORITIES 2026/27

During discussion the following priorities were identified for each committee:

Customer Focus Scrutiny Committee

- New Homelessness Strategy
- Key People Across the Council – monitoring
- Community Safety Partnership
- Ongoing scrutiny of the Budget
- Feeding into the budget planning

Strategic Scrutiny Committee

- Local Plan
- Air Quality
- Local Government Reorganisation

The Chair thanked Councillor Rees on behalf of the Scrutiny Programme Board as she indicated that this was her last meeting.

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SCRUTINY ANNUAL REPORT 2025/26

A workshop session was held to support the Democratic Services Manager in pulling together the content of the Scrutiny Annual Report.

(The meeting commenced at 7.00 pm and closed at 7.56 pm preceded by a workshop which commenced at 5.30pm)

Chair

Councillors' Information Bulletin: 13 April 2026

Title of Update: Treasury Management 2025/26 Quarter 3 Report

Relevant Officers: David Hodgson, Strategic Director of Corporate Resources and s151 Officer

Kayleigh Searle – Finance Lead - Capital

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1. What is the update about?

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly. The Treasury Management Strategy for the coming year, the annual Treasury Management outturn, and the mid-year review are presented to Executive and Council. Other quarterly updates are not required to be formally presented to Council. This report provides an update on the third quarter of 2025/26 in compliance with the Code.

2. Report Details:

2.1. Economic update and Interest Rate Forecasts

The Council has appointed MUFG Corporate Markets (formerly Link Group) as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts overleaf are based on the Certainty Rate as at 23rd March 2026.

The previous expectation that interest rates would continue to fall during 2026 has now been brought into question, given the economic uncertainty following events in the Middle East.

The Bank of England (BoE) kept bank rate unchanged at 3.75% at its March 2026 meeting and the MPC will be monitoring the situation closely, quoting "the MPC is alert to the increased risk of domestic inflationary pressures through second-round effects in wage and price-setting." while also noting that there are a range of risks to medium-term inflation in both directions, it said that upside risks had "...increased most notably." However, it also noted that "...the MPC is also assessing the

implications for inflation of the weakening in economic activity that is likely to result from higher energy costs."

The table below includes the forecasts of MUFG CM and Capital Economics, both of which will be reconsidered once there is more clarity on events in the Middle East and their potential impact on national and global economies.

Interest Rate Forecasts								
Bank Rate	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
MUFG CM	3.75%	3.50%	3.50%	3.25%	3.25%	3.25%	3.25%	3.25%
Cap Econ	3.50%	3.50%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%
5Y PWLB RATE								
MUFG CM	4.60%	4.50%	4.30%	4.20%	4.10%	4.10%	4.10%	4.10%
Cap Econ	4.60%	4.60%	4.50%	4.50%	4.50%	4.40%	4.40%	4.40%
10Y PWLB RATE								
MUFG CM	5.20%	5.00%	4.90%	4.80%	4.80%	4.70%	4.70%	4.70%
Cap Econ	5.20%	5.20%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
25Y PWLB RATE								
MUFG CM	5.80%	5.70%	5.60%	5.50%	5.50%	5.40%	5.30%	5.30%
Cap Econ	6.00%	5.80%	5.70%	5.60%	5.60%	5.50%	5.50%	5.50%
50Y PWLB RATE								
MUFG CM	5.60%	5.50%	5.40%	5.30%	5.30%	5.20%	5.10%	5.10%
Cap Econ	5.70%	5.60%	5.40%	5.20%	5.20%	5.20%	5.20%	5.20%

2.2. Treasury Management Strategy

The Council approved the 2025/26 Treasury Management Strategy Statement, including the Annual Investment Strategy, at its meeting on 25 February 2025. In accordance with the CIPFA Treasury Management Code of Practice it sets out the Council's investment priorities as being; Security of capital, Liquidity, and Yield. Officers review the creditworthiness of counterparties when making investment decisions, and Link provide updates of changes to credit ratings.

The Council's investment strategy was to continue to hold small surplus funds and to seek to utilise its Call Accounts, Money Market Funds, use the Government's Debt Management Office and use short-dated deposits which would be placed with Local Authorities, Banks or Building Societies in-line with the Council's counterparty list.

The Council's stated borrowing strategy was to defer borrowing until later years, where possible, and to reduce the size of the Council's investment balance instead, however some targeted long-term borrowing may be undertaken where the costs will be offset against future income streams.

3. Investments

The Council held no fixed term deposits as at 31 December 2025.

The Council had access to four Money Market Funds during the period. The money market funds allow immediate access to our funds and spreads risk as it is pooled with investments by other organisations and invested across a wide range of financial institutions.

Amount	Investment	Interest rate*
£10,000,000	Federated Short-Term Sterling Prime Fund	4.20%
£0	CCLA - The Public Sector Deposit Fund	4.17%
£10,000,000	BlackRock Institutional Sterling Liquidity Fund	4.10%
£10,000,000	Aberdeen Standard Liquidity Fund	4.19%
£30,000,000		

* Interest rate is variable, therefore rates quoted are an average to 31 December 2025.

The Council made investments in the CCLA's LAMIT Property Fund in 2016. It should be noted that investments in property funds are a long-term commitment which means that there can be fluctuations on the return from the investment.

Amount	Investment	Dividend Yield 25/26
£5,000,000	CCLA – LAMIT Property Fund	4.25%

4. Borrowing

When the 2025/26 budget was set the Council's Capital Financing Requirement (CFR) at 31st March 2025 was expected to be £225.381m, rising by £15.576m to £240.957m by 31st March 2026 to fund the capital programme. The Council is in an under-borrowed position, meaning that the CFR has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as borrowing costs remain high.

The Council's long-term borrowing as at 31 December 2025 is £162.124m (£89.880m General Fund and £72.244m HRA). £10m was borrowed in March 2025 for 1 year. No further external borrowing has been undertaken during the quarter.

Details of loans are set out below:

Principal Amount outstanding as at 31 December 2025	Lender	Interest rate	Loan type	Date of repayment
£56,884,000	PWLB maturity (HRA)	3.48%	Maturity	28/03/2062
£1,744,752	PWLB 25 year annuity	2.34%	Annuity	11/01/2044

£1,693,143	PWLB 25 year annuity	2.08%	Annuity	04/04/2044
£3,889,847	PWLB 30 year annuity	1.61%	Annuity	26/09/2049
£7,638,227	PWLB 35 year annuity	1.71%	Annuity	26/09/2054
£33,181,286	PWLB 50 year annuity	1.80%	Annuity	26/09/2069
£15,360,000	PWLB maturity (HRA)	1.31%	Maturity	14/04/2070
£41,732,722	PWLB 50 year annuity	1.78%	Annuity	24/12/2071
£10,000,000	PWLB 1 year maturity	4.87%	Maturity	12/03/2026

4.1. The ongoing borrowing requirement will be monitored and a decision of whether to take further borrowing will be made in light of need and current and forecast interest rates. If additional borrowing is required advice will be sought from the treasury management advisors in order that the most cost-effective form of borrowing can be secured. The decision of whether to take external long-term borrowing is delegated to the Section 151 Officer and Leader of the Council.

5. Compliance with Treasury and Prudential Limits

The Council sets in February each year prudential indicators for Treasury Management to ensure that proper control of borrowing and investing is maintained. These indicators can be found in the Council's budget book. At Quarter 3 2025/26 there is no projected significant deviation from these indicators.

During the quarter ended 31 December 2025, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2025/26. No difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices. The approved limits within the Annual Investment Strategy were not breached during the quarter.