

REPORT TO EXECUTIVE

Date of Meeting: 3 February 2026

REPORT TO COUNCIL

Date of Meeting: 24 February 2026

Report of: Strategic Director – Corporate Resources & s151 Officer

Title: Treasury Management Strategy Report 2026/27

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 To seek adoption by the Council of the Treasury Management Strategy Report, incorporating the Annual Investment Strategy 2026/27, and revised supporting Treasury Management Practices, as required under section 15(1)(a) of the Local Government Act 2003.

2. Recommendations:

2.1 That Executive recommend to Council the adoption of the Treasury Management Strategy and Treasury Management Practices and the delegations contained therein

3. Reasons for the recommendation:

3.1 The Council has adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes which require the Council to approve a Treasury Management Strategy before the start of each financial year. The Code of Practice was adopted in February 2012. The Code was updated in December 2021.

In addition, the Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Local Authority Investments requires the Council to approve an investment strategy before the start of each financial year.

MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments. Non-financial investments are covered in the Capital Strategy which is presented in a separate report to this Committee.

The Council has borrowed and invested 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 are therefore central to the Authority's Treasury Management Strategy.

4. What are the resource implications including non-financial resources:

4.1 Treasury Management is carried out by the Finance team of the Council, with advice procured from a specialist advisor. Prudent Treasury Management supports the Council's financial position by generating interest on investments / deposits and seeking to minimise the amount of interest paid on borrowing.

5. Section 151 Officer comments:

5.1 The Treasury Management Strategy sets the Council's strategy for both borrowing and lending money. It is critical therefore that members are familiar and comfortable with the range of institutions included within the Strategy. The Treasury Management Practices set the parameters for the day to day implementation of the strategy.

6. What are the legal aspects?

6.1 In February 2012 the Council adopted the updated *CIPFA Treasury Management in the Public Services: Code of Practice*, which requires the Council to approve a Treasury Management Strategy before the start of each financial year. Adoption of the Code is required by regulations laid under the Local Government Act 2003.

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Equality Act 2010 (The Act)

8.1 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the report is for information only.

9. Carbon Footprint (Environmental) Implications:

9.1 No direct carbon/environmental impacts arising from the recommendations.

10. Report details:

10.1 This is a statutory Strategy recommended for adoption by full Council. The key issues to be considered are:

- Investments in the CCLA – LAMIT fund have been made and details of the dividend yield are included in paragraph 3.1 of Appendix A attached to this report.
- Section 4.4 of Appendix A sets the limits on the value of investments to be held by any one institution and the type of institution that can be used.
- The maximum limit to be lent to any one organisation in respect of Property Funds was approved in December 2017, the maximum to be lent to any one organisation for this type of investment is £10m.
- All other limits on the value of investments to be held by one institution remains at £5m (other than the UK Government and money market funds).
- Section 3 of Appendix A sets out the current levels of borrowing and investments, along with the estimated changes and the financial impact for the year on both the General Fund and HRA.

- Sections 5 and 6 of Appendix A set out the planned strategy for the year, which Council must be satisfied meets their objectives and is in line with the level of risk they are comfortable to take.

11. How does the decision contribute to the Council's Corporate Plan?

11.1 Treasury Management supports the Council in generating additional funds for investing in Services, whilst minimising the amount of interest paid on borrowings. It does not in itself contribute to the Council's Corporate Plan.

12. What risks are there and how can they be reduced?

12.1 The investment limits are designed to reduce risk as far as possible, however with any investments there is a risk of default. The Council minimises this risk by imposing limits on where cash can be invested based on credit ratings from the two main rating agencies and setting monetary and time limits on investments. Investments tend to be in immediate access accounts, or short term (less than three months).

13. Are there any other options?

13.1 No

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

List of Appendices:

- Appendix A – Treasury Management Strategy
- Appendix B – Liability Benchmark