

## London Borough of Waltham Forest

Report Title	2026-27 Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy
Meeting / Date	Council, 26 <sup>th</sup> February 2026
Directorate	Resources
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Wards affected	None specifically
Public access	Open
Appendices	Appendix 1 - 2026-27 Treasury Management Strategy Statement

### 1. Summary

- 1.1. This report recommends the Full Council to approve the Treasury Management Strategy, Minimum Revenue Provision (MRP) Strategy and Annual Investment Strategy for 2026-27 and the Treasury Management Policy Statement and Clauses.
- 1.2. This report sets out the context within which the Council's treasury management activity operates and outlines a proposed strategy for the coming year. The report considers the Council's borrowing and investment strategy alongside required Prudential Indicators. It also identifies risk reduction strategies that have been established to ensure the fundamental aims of security, liquidity, and yield of the Council's investments.
- 1.3. The Council is required to actively manage its substantial cashflows daily. The need to place monies in investments or to borrow monies to finance capital programmes and to cover daily

operational needs, is an integral part of daily cash and investment portfolio management.

## 2. RECOMMENDATIONS

- 2.1. The report is asking Full Council:
  - 2.1.1. **Approve** the Treasury Management Strategy Statement and Annual Investment Strategy Report 2026-27. See appendix 2,3 and 4 on page 21 to 27.
  - 2.1.2. **Approve** the MRP Policy for 2026-27. See appendix 1 on page 19 to 20.
  - 2.1.3. **Approve** the Prudential Indicators as set out in the Treasury Management Strategy, which demonstrate that the Council's capital investment plans are affordable prudent and sustainable. See Prudential indicators(1 to 7).

## 3. PROPOSALS

- 3.1. Treasury Management in the context of the report is defined as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.” (CIPFA Treasury Management Code of Practice 2021).
- 3.2. The Council has powers under Part 1 of the Local government Act 2003 to borrow (i.e. prudential borrowing) and invest money in accordance with statute. In carrying out these functions, the Local Government Act 2003 also requires the Council to have regard to both statutory guidance issued on the (MHCLG)-Investment Guidance and MRP Guidance, and guidance referred to within regulations, the Treasury Management Code of Practice and Prudential code, professional codes of practice issued by CIPFA. The Council should follow the guidance unless there is good reason not to. The Guidance requires the Council to agree a treasury strategy for borrowing and to prepare an annual investment strategy, an interim Mid-year report, and an annual treasury management review.
- 3.3. The attached appendix is presented to the Council to approve the Treasury Management Strategy, MRP Policy and Annual Investment Strategy for 2026-27 and Treasury Management Policy Statement and Clauses to be formally adopted. The report includes details of the Strategy for 2026-27, borrowing and investment forecasts based on cash flow and the capital expenditure.

- 3.4. The strategy is in compliance with the statutory regulations and guidance.

#### **4. OPTIONS & ALTERNATIVES CONSIDERED**

- 4.1. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), 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. The Treasury Team will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
- 4.2. The Council's investment policy has regard to the MHCLG's Guidance on Local Government Investments ("the Guidance") the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then yield in line with this guidance.

#### **5. CONSULTATION**

- 5.1. The Treasury Management Team and Treasury Strategy Group are consulted on the content of this report. Members of these groups includes the following officers: Strategic Director of Resources, Director of Financial Services, Asst Director of Pensions & Treasury, Strategic Finance Advisors and Treasury Manager.

The Council's treasury adviser MUFG Corporate Markets has advised on the content of the report.

#### **6. IMPLICATIONS**

##### **6.1. Finance, Value for Money and Risk**

- 6.1.1. This report details financial activity and possible future proposals in respect of treasury strategy. Any proposed changes will be made to maximise the value and effective utilisation of the Council's finances and in accordance with CIPFA's Code of Practice.

##### **6.2. Legal**

- 6.2.1. The Council's Constitution provides that all money held by the Council shall be aggregated for the purposes of Treasury Management and shall be under the control of the officer responsible for the proper administration of the Council's financial affairs the Strategic Director of Resources (Section 151 officer).

6.2.2. This report sets out the Council's position regarding its legal requirements under the Local Government Act 2003 and accompanying statutory guidance (investment /MRP) issued by MHCLG and professional Code of Practice issued by CIPFA (CIPFA Prudential Code, Treasury Management Code of Practice).

6.2.3. Further detailed legal implications are included at paragraphs 55 – 58 of the Treasury Management Strategy Statement (attached as Appendix 1).

**6.3. Equalities and Diversity**

6.3.1. There are no specific implications.

6.3.2. Sustainability (including climate change, health, crime, and disorder)

6.3.3. There are no specific implications.

**6.4. Council Infrastructure**

6.4.1. There are no specific implications.

**BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)**

None