

London Borough of Waltham Forest

Report Title	2025-26 Annual Treasury Management Review
Meeting / Date	Council, 16 th July 2026
Directorate	Resources
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Wards affected	None specifically
Public access	Open
Appendices	Appendix 1 – 2025-26 Annual Treasury Management Review

1. **Summary**

1.1. This review has been prepared in compliance with CIPFA's Code of practice on Treasury Management. The report asks Audit & Governance Committee to recommend Full Council to approve the 2025/26 Annual Treasury Management Review. This Annual review covers the following:

- Capital activity during the year 2025-26.
- The impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement).
- The actual prudential and treasury indicators.
- Overall treasury position identifying how the Council has borrowed in relation to indebtedness, and the impact on investment balances.
- Summary of interest rate movements in the year.
- Debt activity as at 31st March 2026
- Investment activity as at 31st March 2026

1.2. The Council borrowed and invested sums of money and is potentially exposed to financial risk from loss of invested funds and the revenue impact from changing interest rates. This report covers activity on treasury managed investments and borrowings and the associated monitoring and control.

2. **Recommendation**

2.1. That Full Council to approve the Treasury Management activities and performance against targets for financial year 2025-26 as detailed in the report at Appendix (pages 7-8).

3. **Key Highlights**

- Investments income for the year 2025-26 is £1.9m and interest payable outturn is £20.3m.
- The Council's average investments for the year were £47.4m with an average rate 4.05% against the benchmark of the average o/n SONIA (Sterling Overnight Interbank Average Rate) of 4.01%.
- All treasury management activities within the year have been in accordance with the approved limits and prudential indicators as set out in the Treasury Management Strategy Statement 2025/26.

4. **Treasury Summary**

- 4.1. The Council's investments outstanding as at 31st March 2026 is £38.4m at an average rate 4.43%. This comprises of (Money Markets and call account of £23.4m, and Local Authorities £15m).
- 4.2. No investment exceeded the duration of 365 days.
- 4.3. The Debts outstanding as at 31st March 2026 is £545.5m at an average rate of 3.93%. This comprises of (PWLB £471.8m, Temporary loan £40.4m, Market loan £33.3m)
 - 4.3.1. The Council executed new PWLB medium-term loans of £100m to finance capital expenditure and to replace temporary borrowing.
- 4.4. The Council operated within the operational boundary of Borrowing and no limit was breached. Therefore, this also ensured that the Council operated within its authorised limit.

5. **Background**

Treasury Management in the context of the report is defined as:

"The Management of the local authority's 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).

- 5.1 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 Council is required to have regard to guidance, issued directly by the Secretary of State or referred to within regulations. MHCLG issues statutory guidance in respect of Investments and Minimum Revenue Provision (MRP). CIPFA publish professional codes of practice in the form of the CIPFA Prudential Code and Treasury Management Code of Practice, which are referenced within regulations. As these are statutory guidance, the Council should follow 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, a mid-year report and an annual treasury management review report.
- 5.2 The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the

Treasury Strategy Management Group, and for the execution and administration of treasury management decisions to the Corporate Director of Financial Services (Section 151 Officer) formerly Strategic Director of Resources (S151 Officer) who will act in accordance with the organisation's policy statement and TMPs.

6. Proposal

- 6.1 The attached appendix – The Annual Treasury Management Review 2025/26 - is presented to the Audit and Governance committee for scrutiny and then to Full Council for approval. This report details the treasury activities for the year, in relation to the overall treasury position, identifying how the Council has borrowed, and the impact on investment balances.

7. Consultation

- 7.1 The Treasury Management Team and Treasury Strategy Management Group were consulted on the content of this report. Membership of these groups includes the following officers: Corporate Director of Financial Services (Section 151 Officer) formerly Strategic Director of Resources (S151 Officer), Asst. Director Pensions & Treasury, Strategic Finance Advisors, Chief Accountant and Treasury Manager.

8. Implications

8.1. Finance

- 8.1.1. This report details financial activity in respect of treasury strategy for the year ending 31st March 2026. Recommended treasury strategies were implemented to maximise the value and effective utilisation of the Council's finances and in accordance with the statutory guidance issued by MHCLG and through the CIPFA Prudential Code and Treasury Management Code of Practice.

8.2. Legal

- 8.2.1. 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 Strategic Director of Resources (Section 151 officer).
- 8.2.2. This report sets out the Council's position regarding its legal requirements under the CIPFA Prudential Code, Code of Practice on Treasury Management in Local government, and other regulations.
- 8.2.3. The Council's statutory powers to borrow and invest are set out in paragraph 5.1 above including the obligation to have regard to the issued guidance.

8.3. Equalities and Diversity

- 8.3.1. There are no specific implications, and as such, no Equality Impact Assessment is required

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

8.4.1. There are no specific implications

8.5. Council Infrastructure

8.5.1. There are no specific implications