

 <p>Brent</p>	<p align="center">Audit and Standards Advisory Committee 4 December 2024</p>
	<p align="center">Report from the Corporate Director, Finance and Resources</p>
	<p align="center">Lead Member – Deputy Leader & Cabinet Member for Finance & Resources (Councillor Mili Patel)</p>
<p align="center">Treasury Management Strategy Report 2025/26</p>	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	One Appendix 1: Draft Treasury Management Strategy 2025/26
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Nadeem Akhtar, Senior Finance Analyst Capital, Treasury & Commercial Tel: 020 8937 5957 Email: nadeem.akhtar@brent.gov.uk Sam Masters Head of Finance (Capital, Treasury and Commercial) Capital, Treasury & Commercial Tel: 0208 937 2224 Email: Sam.Masters@brent.gov.uk

1.0 Executive Summary

- 1.1 This report presents the draft Treasury Management Strategy (TMS) for 2025/26 for consideration by the Committee. The final version of the TMS incorporating the views of this Committee will be included in the annual Budget Setting Report to be presented to Cabinet and Full Council in February 2025. Highlighted areas to be updated for the final version of the report.

1.2 Key emerging points are as follows:

1. Growth in Council debt to fund the capital programme as shown in Table 1.
2. Council's capital programme based on Period 6 forecast (subject to change) as shown in Table 2.
3. Borrowing Strategy as set out in paragraph 25.
4. Treasury Investment Strategy as set out in paragraph 38. Investment limits and approved counterparties shown in paragraph 44.
5. Treasury management prudential indicators are set out in paragraph 64.

2.0 Recommendation(s)

2.1 That the Audit and Standards Advisory Committee considers and comments on the draft Treasury Management Strategy 2025/26 included in Appendix 1.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 Treasury Management underpins all aspects of financial management within the Council which enables the delivery of the priorities and objectives within the Borough Plan. Treasury Management activities are strictly regulated, and the Audit & Standards Advisory Committee have the responsibility of scrutinising the Treasury Management function in line with CIPFA's Prudential Code (2021) including reviewing the draft Strategy each year.

3.1.2 The Strategy sets out the framework for Treasury Management activity in 2025/26 and includes details on:

- Borrowing Strategy and sources of debt finance
- Investment Strategy, investment types and prescribed limits
- Treasury Management Indicators for 2025/26
- Alternative options/strategies
- External context
- Local context

3.1.3 The draft Strategy is included in Appendix 1 and is currently based on September 2024 capital programme budget data from Programme Managers. This highlighted content is subject to change in the subsequent version of the Strategy to reflect the ongoing work that is currently being undertaken by the Capital Team with Programme Managers in determining the most accurate budget profiles and any growth in capital budgets. Such changes will be presented to Cabinet and Council in February 2025.

4.0 Stakeholder and Ward Member Consultation and Engagement

4.1 Given the nature of this report, there has been no stakeholder and ward member consultation and engagement.

5.0 Financial Considerations

5.1 The planned treasury management activity outlined in Appendix 1 will result in interest costs associated with borrowing, as well as the generation of investment income for the Council. The Council's draft capital financing budget for 2025/26, including provisions for MRP (sums set aside for the repayment of debt) has been aligned with this Strategy and will form part of the overall budget setting report scheduled to be presented to cabinet in February 2025.

6.0 Legal Considerations

6.1 The Local Government Act 2003 and the Local Authorities (Capital Financing and Accounting) Regulations 2003 require the Council to 'have regard to' the Prudential Code and to set Prudential Indicators to ensure that the Council's capital investment plans are affordable, prudent, and sustainable. This requires that regular reports be submitted to the relevant Council Committee. Brent Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this code and as such, following consideration by Cabinet, a report setting out the Council's Treasury Management Strategy for the coming financial year should be submitted to Full Council for approval.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 There are no equity, diversity and inclusion considerations arising from this report.

8.0 Climate Change and Environmental Considerations

8.1 As part of the Council's Treasury Management Strategy, the Council will ensure an assessment is made with regards to environmental, social and governance (ESG) matters for the council's long-term investments.

9.0 Communication Considerations

9.1 No additional communication strategies are required for this report.

Report sign off:

Minesh Patel

Corporate Director, Finance and Resources