	Full Council 27 February 2025
	Report from the Corporate Director, Finance and Resources
	Lead Member – Deputy Leader & Cabinet Member for Finance & Resources (Councillor Mili Patel)
Treasury Management Mid-Year Report 2024-25	

Wards Affected:	All
Key or Non-Key Decision:	Council
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	Four: Appendix 1: Economic Commentary Appendix 2: Debt and Investments Portfolio Appendix 3: Average Rate vs Credit Risk Appendix 4: Prudential Indicators
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Nadeem Akhtar, Senior Finance Analyst Capital, Treasury & Commercial Tel: 020 8937 5957 Email: nadeem.akhtar@brent.gov.uk Amanda Healy Deputy Director Investment & Infrastructure Tel: 0208 937 5912 Email: Amanda.healy@brent.gov.uk

1.0 Executive Summary

1.1 This report updates Members on Treasury activity for the first half of the financial year 2024/25 (quarters one and two). The Local Government Act 2003 and the Local Authorities (Capital Financing and Accounting) Regulations 2003 require that regular reports be submitted to the relevant Council Committee detailing the Council's treasury management activities.

1.2 This report updates Members on both the borrowing and investment decisions made by the Corporate Director, Finance and Resources under delegated authority in the context of prevailing economic conditions and considers the Council's Treasury Management performance. The Council can only borrow for capital investment, it cannot borrow to fund operational, day to day expenditure. The borrowing supports the Council's capital investment programmes for both Council Housing (HRA) and General Fund.

1.3 Key emerging points are as follows:

1. The Council has complied with its Prudential Indicators as at quarter two of 2024/25.

2. Borrowing outstanding at 30 September 2024 was £791.9m and had decreased from £814.3m over the course of the financial year, a change of £22.4m. The change in debt was due to the repayment of loans.

3. Cash Investments outstanding at 30 September 2024 was £38.6m and had decreased from £95.3m over the course of the financial year, a change of £56.7m. The change relates to the repayment of maturing debt and ongoing investment in the Council's capital programme in lieu of borrowing.

4. At 30 September 2024 the Council had paid £15.7m in interest payments relating to the Council's loan portfolio.

5. The Council had generated interest income of £3.6m on cash investments as at 30 September 2024. This income in part reflects the current level of Bank of England's Bank Rate. Bank Rate was cut in August 2024 and was reduced from 5.25% to 5.00%.

2.0 Recommendation(s)

2.1 Council is asked to note the overall financial performance up to Quarter two of 2024-25 which has been fully compliant with the prudential indicators set as part of the annual strategy.

3.0 Detail

3.1 **Cabinet Member Foreword**

3.1.1 This report provides detailed reporting on both the borrowing and investment decisions made by the Corporate Director, Finance and Resources for the first six months of the financial year 2024/25. This includes borrowing raised and repaid during the reported period; cash investment balances and compliance with the Prudential Indicators as set by Full Council on 29th February 2024.

3.1.2 The regular reporting of treasury management activities assists Members to scrutinise officer decisions and monitor progress on the implementation of its borrowing and investment strategy as approved by Full Council.

3.1.3 The Council's treasury management activity is underpinned by Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), which requires authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity.

3.2 **Background**

3.2.1 The Council has borrowed money over the long-term period to support investment in the Council's infrastructure and invests cash balances held for short periods. It 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 central to the Council's treasury management strategy.

3.2.2 The Council has adopted the CIPFA Code which requires the Council to approve, as a minimum, treasury management semi-annual and annual outturn reports.

3.2.3 The 2021 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy and Treasury Management Strategy, complying with CIPFA's requirement, was approved by full Council at a Budget and Council Tax Setting Council meeting on 29 February 2024.

3.2.4 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 remains central to the Council's treasury management strategy.

3.3 **Economic Background**

3.3.1 Key points emerging for the first two quarters of 2024/25:

- UK headline consumer price inflation remained around the Bank of England (BoE) target later in the period, falling from an annual rate of 3.2% in March to 2.0% in May and then rebounding marginally to June to 2.2% in July and August, as was expected, due to base effects from energy prices. Core and services price inflation remained higher at 3.6% and 5.6% respectively in August. The UK economy continued to expand over the period. The latest BoE Monetary Policy Report, published in August, showed policymakers expected GDP growth to continue expanding during 2024 before falling back and moderating from 2025 to 2027.

- Bank Rate was reduced from 5.25% to 5.00% during August 2024.

- Sentiment in financial markets continued to mostly improve over the period, but the ongoing trend of bond yield volatility remained.

3.3.2 Appendix 1 provides a full economic commentary for the financial year.

3.4 Balance Sheet Summary

3.4.1 As at 30 September 2024, the Council had a net borrowing position of £753.3m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.2024 Actual £m	**31.3.2025 Forecast £m**
General Fund CFR	935.7	1,072.3
HRA CFR	300.9	325.9
Total CFR	**1,236.6**	**1,398.2**
PFI & Lease Liabilities	32.5	28.5
Total Loan CFR	**1,269.11**	**1,426.7**
External borrowing (Excluding accrued interest)	814.3	909.1
Internal Borrowing (Loans CFR less external borrowing)	**422.3**	**489.2**
Less Usable Reserves	(513.3)	(513.3)*
Less Working Capital	(4.3)	4.1**
Investments (or new borrowing)	95.3	20.0

*Assumed to remain static. **Calculated

3.4.2 The treasury management position at 30 September 2024 and the change during the first half of the year is shown in Table 2 below.

Table 2: Balance sheet summary

	1 Apr 2024 Actual £m	Movement	30 Sep 2024 Actual £m
Short-term Borrowing	84.3	(22.4)	61.9
Long-term Borrowing	730.0	0	730.0
Total External Debt	**814.3**	**(22.4)**	**791.9**
Money Market Funds	90.3	(51.7)	38.6
Local Authority Cash Investments	5.0	(5.0)	0.0
Total Cash Investments	**95.3**	**(56.7)**	**38.6**
Net Debt	**719.0**	**34.3**	**753.3**

3.4.3 Overall Borrowing has decreased over the first two quarters of 2024/25 as loans were repaid back. Further details are provided in Table 3.

3.4.4 Cash investments decreased over the year following the repayment of maturing debt and ongoing investment in the Council's capital programme in lieu of borrowing.

3.4.5 Appendix 2 details the debt and investment portfolio as at 30 September 2024.

3.5 **Borrowing**

3.5.1 The Council's main objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

3.5.2 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing or regeneration purposes.

3.5.3 The Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council. It has no plans to do so in future.

3.5.4 Gilt yields were volatile over the 6-month period and have reduced slightly between April and September 2024. Much of the downward pressure from lower inflation figures was counteracted by upward pressure from positive economic data. Data from the US continues to impact global bond markets including UK gilt yields which PWLB loan rates are priced off.

3.5.5 The Council had a borrowing position of £814.3m as at 1 April 2024. This had decreased to £791.9m as at 30 September 2024. Table 3 provides the breakdown of loan balances.

Table 3- breakdown of debt

Loan Type	**01-Apr-24**	**New Loans**	**Repaid Loans**	**30-Sept-24**
	£m	**£m**	**£m**	**£m**
PWLB	589.8	0.0	(7.4)	582.4
LOBO	59.5	0.0	0.0	59.5
Private Placement	95.0	0.0	0.0	95.0
Local Authority	70.0	10.0	(25.0)	55.0
Total Debt Outstanding	**814.3**	**10.0**	**(32.4)**	**791.9**

3.5.6 The Council had raised £10.0m of new loans in quarter two of 2024/25 and comprised of two short term local authority loans. The loans were required to support the Council's daily cashflow activity as cash balances were close to depletion. This borrowing requirement has been driven by the demands of delivering the capital programme not already funded through grants, contributions, capital receipts or reserves as well as repaying maturing debt. The local authority loans were raised at an average rate of 4.80% with an average duration of 364 days. The interest rates reflect the current rising interest rate environment.

3.5.7 As at 30 September 2024 the Council had repaid £32.4m of loans that were held with the PWLB (£7.4m); and local authorities (£25.0m). The PWLB loans consisted of EIP loans whilst the local authority loans were temporary loans held for cashflow purposes.

3.5.8 Overall, the total debt movement was a decrease of £22.4m.

3.5.9 The PWLB HRA rate, which is 0.4% below the Standard Rate, is available up to June 2025. This discounted rate is to support local authorities borrowing for the Housing Revenue Account and for refinancing existing HRA loans. The Council did not borrow any PWLB loans under the HRA arrangement during the first two quarters of 2024/25 but does intend to take advantage of the HRA rate by 31 March 2025.

3.5.10 **Loan Restructuring:** No loans were restructured during the first two quarters of 2024/25. The Council will continue to monitor and evaluate the opportunity to reschedule existing loans as and when opportunities arise.

3.5.11 **LOBO Loans:** As at 30 September 2024 the Council was holding £59.5m of LOBO loans. There are no LOBO call reviews in 2024/25 but £35m is expected to be reviewed in 2025/26. Therefore, there is no immediate risk to these loans requiring early repayment or experiencing rate rises in 2024/25. The Council will keep LOBO loans under review in 2024/25 and consider any premature opportunities that arise to prepay or restructure the LOBOs rather than carrying an ongoing substantial interest risk.

3.5.12 **Forward Borrowing:** As at 30 September 2024 £60.0m of short-term local authority loans have been arranged to start in October and November 2024, with an average rate of 4.8%. The Council's cashflow forecast has identified a need to borrow cash to support forecasted cashflow activity. The loans were also raised to avoid the capital market liquidity squeeze that is consistently observed in the months January- March, a period when Councils nationally borrow resulting in demand for cash outstripping supply causing short term loan rates to spike.

3.6 Maturity Profile of Debt

3.6.1 The forecast for 31 March 2025 is that the Council will have 68 loans spread over 50 years with the average maturity being 25 years. The maturity profile allows the Council to spread the risk of high interest rates when debt matures in any one year.

Table 4: Debt maturity profile

Maturity Profile at 31 March 2025 (£m)	**2024/25**
<1 Year	108.7
1-2 Years	23.2
3-5 years	37.5
5-10 Years	72.9
10-15 Years	70.1
15-20 Years	62.0
20-25 Years	91.9
25-30 Years	41.6
30-35 Years	171.0
35-40 Years	6.1
40-45 Years	5.0
45+ Years	100.0
Debt outstanding	**800.0**

3.6.2 The maturity loan profile includes existing debt and forward starting loans as agreed at 30 September 2024 and excludes any planned future borrowing.

3.7 Interest Rate

3.7.1 For context, the changes in interest rates during the half year were as follows:

Table 5: comparison of interest rates

Interest Rate	31-Mar-24	30-Sep-24
Bank Rate	5.25%	5.00%
1-year PWLB certainty rate, maturity loans	5.36%	4.95%
5-year PWLB certainty rate, maturity loans	4.68%	4.55%
10-year PWLB certainty rate, maturity loans	4.74%	4.79%
20-year PWLB certainty rate, maturity loans	5.18%	5.27%
50-year PWLB certainty rate, maturity loans	5.01%	5.13%

3.8 **Capital Financing Requirement**

3.8.1 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). This is the amount of the Capital Programme, past and present, that is funded by borrowing and has not been paid for by revenue or other resources.

3.8.2 Assuming that the Council's capital programme is delivered in line with the quarter two forecast, the Council's external borrowing is forecasted to be £909.1m at 31 March 2025 and expected to be within the Prudential Indicator for external borrowing, namely, that borrowing should not exceed the original estimated gross loan CFR for 2024/25 of £1,442.1m. Forecasted loan CFR as at 31 March 2025 is expected to be £1,398.2m. This can be split between the General Fund (£1,072.3m) and the HRA (£325.9m). The difference between the Loan CFR and external loans is internal borrowing. Internal borrowing occurs due to timing differences when capital expenditure that is meant to finance through external debt is instead paid for through cash resources that are intended for other purposes. Cash is replenished at a later date. Internal borrowing at 31 March 2025 is expected to be £489.2m as shown in Table 5.

3.8.3 As at 30 September 2024 there were no asset appropriations (land and buildings) between the HRA and the General Fund for the purpose of regeneration and development.

3.8.4 The General Fund CFR is forecasted to reduce by £21.4m following the application of Minimum Revenue Provision (MRP) charges and service loan repayments. MRP is discussed further below.

Table 6: **Capital Financing Requirement**

Capital Financing Requirement (CFR) (£m)	**31-Mar-24**	**31-Mar-25**
	Actual	**Forecast**
General Fund	935.7	1,072.3
Housing Revenue Account	300.9	325.9
Total CFR	**1,236.6**	**1,398.2**
Other Debt Liabilities	32.5	28.5
Loan CFR	**1,269.1**	**1,426.7**
External Borrowing	814.3	909.1
Internal Borrowing	422.3	489.2
Council Approved Limits (Capital Strategy)		
Approved Operational Boundary Limit	1,500.0	1,500.0
Approved Authorised Limit	1,700.0	1,700.0
Forecasted CFR	**1,389.0**	**1,442.1**

3.8.5 The expected movement in the Loan CFR of £161.6m between 31 March 2024 and 31 March 2025 can be explained in Table 6.

Table 7: Movement in CFR

	£m
Opening Loan CFR April 2024	1,236.6
Closing Loan CFR 31 March 2025	1,398.2
Change in Loan CFR	161.6
Capital expenditure 2024/25	293.5
Capital expenditure Financing	(110.4)
MRP	(20.5)
Service Loans Repaid	(0.9)
Total Expected Movement in CFR	161.6

3.9 Minimum Revenue Provision

3.9.1 The Minimum Revenue Provision (MRP) is the charge to revenue made in respect of paying off the principal sum of the borrowing undertaken to finance the capital programme. The statutory guidance provides options for calculating a charge that is considered prudent. The approach for this calculation is approved as part of the budget setting process each February by Full Council in the Minimum Revenue Provision Statement.

3.9.2 The 2024/25 forecasted MRP charge is expected to be £20.5m and consists of £15.5m for capital programme borrowings (historical supported borrowings and unsupported borrowings); and £5.0m for the PFI schemes. A further £0.9m is expected to be received by the Council for service loan repayments. Total MRP debt repayments that are expected to be charged to the Comprehensive Income & Expenditure Statement will total £21.4m. The Council is not intending to make any voluntary MRP during the year, though this will be kept under review.

3.9.3 MRP will be continued to be kept under review throughout the financial year to ensure that the Council accounts for a prudent charge for the year.

3.10 **Cost of Borrowing**

3.10.1 Total capital financing costs are forecasted to be £36.0m for the full year. The cost reflects the current relatively high interest rate environment and the need to borrow to fund the Council's ambitious capital programme as well as service existing loans and the impact of a rising Minimum Revenue Provision (MRP) charge, which is a Statutory charge to the Revenue Account for the repayment of debt.

Table 8: Debt costs

Capital Financing Costs at Q2 (£m)	**2023/24 Actual**	**2024/25 Estimated**
Total Gross External Debt Interest	**30.3**	**36.8**
Total Interest Payable & Expenses	**33.6**	**39.2**
Total Interest Receivable	**(24.5)**	**(27.1)**
Net Interest	**9.1**	**12.0**
MRP (Excluding PFI)	13.4	15.5
Total Interest & MRP	**22.4**	**27.5**
Revenue Contributions to Capital Programme	**8.0**	**8.5**
Total Capital Financing Costs	**30.4**	**36.0**

3.10.2 The total capital financing cost forecast includes:

- borrowing £179.1m of new loans to fund the Council's capital programme borrowing need as well as to finance maturing debt at an assumed interest rate of 4.8%.
- Interest on treasury cash investments with an average cash balance of £90.0m earning an assumed rate of 4.75%.
- Expected Interest on subsidiary loans related to I4B and First Wave Housing, two wholly owned Council companies are also included in the forecast.

- Service loan interest relates to loan advances to Brent schools, the West London Waste Authority and Alperton Academy are also included in the forecast.

3.10.3 The forecast outturn position of £36.0m is higher than the previous financial year due to a rise in UK Government Gilt rates that subsequently impact PWLB loan rates, thus making borrowing loans from the PWLB (and capital markets) more expensive. The Council's borrowing need has also increased since 2023/24 in line with approved plans to fund the borrowing requirement of the current capital programme. Furthermore, the Council has a rising MRP obligation that is associated with past borrowing decisions. The Council uses the annuity method to determine the MRP charge, which results in a lower charge in the earlier period of the repayment schedule but increases over time.

3.11 **Investment Activity**

3.11.1 CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20th December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

3.11.2 The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves. As at 30 September 2024, the Council was holding investment balances of £38.6m and had decreased from £95.3m, a change of £56.7m. The investment position is shown in table 8 below.

Table 9: Treasury investment activity

	31-Mar-24	**Movement**	**30-Sept-24**
	£m	**£m**	**£m**
Local Authority and DMADF Deposits	5.0	(5.0)	0.0
Money Market Funds	90.3	(51.7)	38.6
Total Cash Investments (Excluding accrued interest)	**95.3**	**(56.7)**	**38.6**

3.11.3 The CIPFA Treasury Management Code requires local authorities to consider their counterparty policies considering environmental, social and governance (ESG) information. The Council has regard to funds who have signed up to ESG related initiatives, including the UN Principles for responsible investment, the UK Stewardship Code and the Net-Zero Asset Managers Initiative.

3.11.4 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

3.11.5 Investment interest rates on short-term cash holdings remain relatively high but lower than a year ago. At 30 September 2024, the Council achieved circa 5.0% from cash investment holdings, which compares to compares to 5.3% a year earlier. Appendix 3 details the average rate earned on investments against credit risk exposure.

3.11.6 Given the higher interest rate environment and the Council's need to hold cash for day-to-day requirements, deposits have been held in short term investments, providing the Council with improved liquidity. This has also led to increased investment income given the increased deposit rates that followed from changes in the Bank of England Bank Rate since 2022. There was also a focus on holding funds with high credit ratings, providing increased security over the Council's investment portfolio.

3.11.7 The Council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of money market funds will be maintained to allow access to cash to fund daily cashflow outgoings.

3.11.8 The progression of risk and return metrics are shown in the extracts from Arlingclose quarterly investment benchmarking in the table 9 below.

Table 9: Investment benchmarking

	Credit Score	**Credit Rating**	**Bail-in Exposure**	**Weighted Average Maturity (days)**	**Rate of Return**
31.03.2022	5.06	A+	100%	1	0.52%
31.03.2023	5.03	A+	100%	1	4.08%
31.03.2024	4.91	A+	95%	10	5.31%
30.09.2024	4.94	A+	100%	1	5.01%
Similar Local Authorities*	4.70	A+	75%	12	5.33%
All Local Authorities*	4.39	A+	61%	11	5.42%

*Arlingclose clients only

3.12 **Non-Treasury Investment Activity**

3.12.1 The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e., management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return). The non-Treasury investments are held to further service objectives and are therefore categorised as for service purposes. The non-Treasury investments are classified under shareholdings to subsidiaries and loans to subsidiaries, detailed in the paragraph below.

3.12.2 Investment Guidance issued by MHCLG, and the Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.

3.12.3 As at 30 September 2024 the Council held £257.0m of such investments in:

- Shareholding and soft loan investment in subsidiaries: £103.5m (£103.5m in 2023/24).
- Loans to subsidiaries £153.5m (£152.8m in 2023/24).

3.12.4 I4B Holdings Limited is a company wholly owned by Brent Council that was incorporated on 16 December 2016. The primary purpose of the company is to deliver the housing options defined in the Temporary Accommodation reform plan. As of 30 September 2024, the Council had provided total funding of £218.4.m to I4B (£218.4m in 2023/24) which are secured against the company's properties. The funding is split between loans and equity financing. Loans outstanding at 30 September 2024 was £182.1m and equity outstanding was £36.4m. The Council is expected to receive £5.3m in interest for loans advanced to I4B by 31 March 2025.

3.12.5 First Wave Housing (FWH) is a registered provider of housing in Brent and is wholly owned by Brent Council. FWH was formally known as Brent Housing Partnership (BHP). The Council is expecting to receive £0.7m in interest by 31 March 2025 for loans to FWH as at the reported date and is expecting to receive capital repayment of £0.4m. As of 30 September 2024, there were outstanding loans to Brent Council totalling £34.3m (£34.3m in 2023/24) which are secured against the properties held within the company.

3.12.6 These investments are expected to generate £6.0m of income for the Council in 2024/25 (£6.0m in 2023/24). This investment income covers the borrowing cost of investing in housing through wholly owned subsidiaries. These borrowing costs would be incurred by the Council regardless of the method through which the Council develops new housing; however, this is the vehicle of choice for such investments.

3.12.7 I4B drew down £3.4m of short-term loans in the quarter two of 2024/25 and is expected to repay by quarter three of 2024/25.

3.13 Treasury Management Training

3.13.1 The needs of the Council's treasury management staff for training in investment and debt management are kept under review. These are considered as part of the staff appraisal process and additionally when the responsibilities of individual members of staff change.

3.13.2 Training for Members is also kept under review. In July 2024 an Introduction to Treasury Management training session was delivered to the Audit & Advisory Standards Committee and wider Members.

3.14 Compliance

3.14.1 The Corporate Director, Finance and Resources reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

3.14.2 Compliance with the approved prudential indicators, and in particular the authorised limit and operational boundary for external debt is demonstrated within Appendix 4 (Prudential Indicators) as required by the 2021 CIPFA Treasury Management Code.

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 financial implications are noted in the report.

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 activity for the 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. I4B drew down a short-term loan of £3.4m in quarter two of 2024/25.

9.0 Communication Considerations

9.1 No additional communication strategies are required for this report.

<u>Report sign off:</u>

Minesh Patel
Corporate Director, Finance and Resources