	Cabinet 8 September 2025
	Report from the Corporate Director, Finance and Resources
	Lead Member – Deputy Leader & Cabinet Member for Finance & Resources (Councillor Mili Patel)

Treasury Management Outturn 2024/25

Wards Affected:	All
Key or Non-Key Decision:	Key
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
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1.0 Executive Summary

1.1 This report sets out the outturn for the Council's Treasury Management Activities for 2024/25. 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 for 2024/25.

2. Borrowing outstanding at 31 March 2025 was £900.02m and had increased from £814.3m over the course of the financial year, a change of £85.8m. The change in debt was due to raising £170.0m of new loans and repaying £84.2m of maturing debt.

3. Cash Investments outstanding at 31 March 2025 was £47.3m and had decreased from £95.3m over the course of the financial year, a change of £48.0m.

4. The Council's Capital Financing Requirement (CFR- representing the underlying need to borrow) changed from £1,254.5m to £1,351.4m, a change of £96.9m.

5. The Council's average debt pool rate was 3.85% as a 31 March 2025 and had changed from 3.89% (31 March 2024), caused by borrowing in rising interest rate environment.

6. The Council's rate of return on cash investments decreased during the year from 5.31% (31 Marach 2024) to 4.53% reflecting the numerous Bank of England Bank Rate changes during the financial year (3 times – from 5.25% to 4.50%).

7. Minimum Revenue Provision (MRP) charge for 2024/25 for the General Fund was £19.8m in accordance with the Council's approved MRP Policy (date of approval 29/02/2024). The charge comprised of £15.1m that was chargeable on schemes funded by prudential borrowing and £4.7m on finance leases. A further £0.9m was recognised for Service Loans, where no MRP was charged but principal payments reduced the debt liability in accordance with Statutory regulations.

2.0 **Recommendation(s)**

That Cabinet:

2.1 Note and comment on the overall financial performance for 2024/25.

2.2 Approve the submission of the report to Full Council for approval in accordance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice.

3.0 Detail

3.1 Cabinet Member Foreword

3.1.1 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.

3.1.2 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 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 Authority 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 2024/25:

- UK annual Consumer Price Index (CPI) inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period.

- The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak.

- Financial market sentiment was reasonably positive over most of the period, but economic, financial, and geopolitical issues meant the trend of market volatility remained.

- Credit conditions improved during the financial year resulting in investment duration remaining at 100 days.

- Credit default swap prices generally trended lower over the period but did start to rise modestly in March, but not to any levels considered concerning.

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

3.4 Balance Sheet Summary

3.4.1 As at 31 March 2025, the Council had a net borrowing position of £852.7m 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 March 2024 Actual (Original) £m	**31 March 2024 Actual (Revised) £m**	**31 March 2025 Actual £m**
General Fund CFR	935.7	957.8	1,015.1
HRA CFR	300.9	296.7	342.0
Loan CFR	**1,236.6**	**1,254.5**	**1,357.1**
PFI & Lease Liabilities	32.5	32.5	28.5
Total Loan CFR	**1,269.11**	1,287.0	1,385.6
External borrowing (Excluding accrued interest) *	**814.3**	**814.3**	**900.0**
Internal Borrowing (Loans CFR less external borrowing)	**422.3**	**440.2**	**457.1**
Less Usable Reserves	(513.3)	(528.7)	(585.6)
Less Working Capital	(4.3)	(6.8)	81.2
Investments (or new borrowing)	95.3	95.3	47.3

3.4.2 The treasury management position at 31st March 2025 and the change during the year is shown in Table 2 below.

Table 2: Balance sheet summary

	31 March 2024 Actual	Movement	31.March 2025 Actual
	£m	£m	£m
Short-term Borrowing	84.2	46.3	130.5
Long-term Borrowing	730.0	39.5	769.5
Total External Debt	**814.3**	**85.8**	**900.0**
Money Market Funds	90.3	(43.0)	47.3
Local Authority Cash Investments	5.0	(5.0)	0.0
Total Cash Investments	95.3	(48.0)	47.3
Net Debt	**719.0**	**133.8**	**852.7**

3.4.3 Borrowing has increased in the past year, in order to meet the requirements of the Council's long-term Capital investment programme as internal cash resources were utilised.

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 31 March 2025.

3.5 Borrowing

3.5.1 The Council's main objective when borrowing is to strike an appropriately minimal 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 Authority'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 Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

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

3.5.4 After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields were volatile but have increased overall during the period. Much of the increase has been in response to market concerns that policies introduced by the Labour government will be inflationary and lead to higher levels of government borrowing. The election of Donald Trump in the US in November is also expected to lead to inflationary trade policies.

3.5.5 The PWLB certainty rate for 10-year maturity loans was 4.80% at the beginning of the period and 5.42% at the end. The lowest available 10-year maturity rate was 4.52% and the highest was 5.71%. Rates for 20-year maturity loans ranged from 5.01% to 6.14% during the period, and 50-year maturity loans from 4.88% to 5.88%.

3.5.6 The cost of short-term borrowing from other local authorities has generally risen with Base Rate over the year. Interest rates peaked at around 6% towards the later part of March 2025 as many authorities required cash at the same time. These rates are expected to fall back to more normal market levels in April 2025.

3.5.7 The Council had a borrowing position of £814.3m as at 1 April 2024. This had increased to £900.0m as at 31 March 2025. Table 3 provides the breakdown of loan balances.

Table 3- breakdown of debt

Loan Type	01-Apr-24	New Loans	Repaid loans	31-Mar-25
	£m	**£m**	**£m**	**£m**
PWLB	589.8	100.0	(14.2)	675.5
LOBO	59.5	0.0	0.0	59.5
Private Placement	95.0	0.0	0.0	95.0
Local Authority	70.0	70.0	(70.0)	70.0
Total Debt Outstanding	**814.3**	**170.0**	**(84.2)**	**900.0**
Accrued Interest	10.0			8.1
Total Debt and Accrued Interest Outstanding	**824.3**	**170.0**	**(84.2)**	**908.1**

3.5.8 The Council raised £170.0m of new loans during the Year. Four long-term loans totalling £100.00m were raised with the PWLB on an Equal Instalment Principal (EIP) and Maturity structure. A further £70.0m of short-term loans were raised with various local authorities to support the Council's daily cashflow activity as cash balances had depleted. This borrowing requirement was driven by the demands of delivering the capital programme not already funded through grants, contributions, capital receipts or reserves. Local authority loans were raised at an average rate of 4.9% with an average duration of 365 days. The interest rates reflect the current rising interest rate environment.

3.5.9 The four PWLB loans raised for the General Fund consisted of the following:

- £30.0m 9.5-year EIP Loan at 4.90% drawn December 2024
- £43.0m 5-year EIP loan at 4.81% drawn February 2025
- £22.0m 2-year Maturity at 4.87% drawn March 2025
- £5.0m 2-year Maturity at 4.81% drawn March 2025

3.5.10 During 2024/25 the Council repaid £84.2m of loans that were held with the PWLB (£14.2m); and local authorities (£70.0m). The PWLB loans consisted of EIP loans whilst the local authority loans were temporary loans held for cashflow purposes. Overall, the total debt movement was an increase of £85.8m.

3.5.11 The PWLB HRA rate which is 0.4% below the certainty rate is available up to March 2026. This discounted rate is to support local authorities borrowing for the Housing Revenue Account and for refinancing existing HRA loans, providing a window of opportunity for HRA-related borrowing and to replace the Council's maturing HRA debt. No PWLB loans were drawn for the HRA during the reported period.

3.5.12 **Loan Restructuring:** No loans were restructured during 2024/25. The Council will continue to monitor and evaluate the opportunity to reschedule existing loans.

3.5.13 **LOBO Loans:** As at 31 March 2025 the Council was holding £59.5m of LOBO loans. There were no LOBO loans repaid in 2024/25 but there are five LOBO loans totalling £35.0m that are due for an interest rate review in 2025/26.

3.5.14 **Forward Borrowing:** There were no forward agreed loans as at 31 March 2025.

3.6 Maturity Profile of Debt

3.6.1 As at 31 March 2024 the Council had 72 loans spread over 50 years with the average maturity being 23.7 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	130.5
1-2 Years	62.0
3-5 years	61.0
5-10 Years	97.3
10-15 Years	71.7

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	**900.0**

3.6.2 The Councils average debt pool rate at 31 March 2025 was 3.85%.

3.7 Capital Financing Requirement

3.7.1 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.

3.7.2 The Council's external borrowing was £900.0m and was 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. Actual loan CFR as at 31 March 2025 stood at £1,351.4m. This can be split between the General Fund (£1,008.0m) and the HRA (£343.4m). 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 financed through external debt is instead paid for through cash resources that are intended for other purposes. Cash is replenished later. Internal borrowing at 31 March 2025 was £451.4m as shown in Table 5.

3.7.3 During the year there were a number of assets (land and buildings) that moved between the HRA and the General Fund for the purpose of regeneration and development. In total assets with a certified value of £29.9m were transferred from the General Fund to the HRA, and the respective CFRs were adjusted.

3.7.4 The General Fund CFR was reduced by £19.8m following the application of Minimum Revenue Provision (MRP) charges and service loan repayments. MRP is discussed further below.

Table 5: Capital Financing Requirement

Capital Financing Requirement (CFR)	**31/03/2024 (Draft Accounts)**	**31/03/2024 Revised (Audited Accounts)**	**31/03/2025 (Draft Accounts)**
	£m	**£m**	**£m**
General Fund	935.7	957.8	1,015.1
Housing Revenue Account	300.9	296.7	342.0
Loan CFR	**1,236.6**	**1,254.5**	**1,357.1**
Other Debt Liabilities	32.5	32.5	28.5

Total CFR	**1,269.1**	**1,287.0**	**1,385.6**
External Borrowing	814.3	814.3	900.0
Internal Borrowing	422.3	440.2	457.1
2024/25 Council Approved Limits (Capital Strategy)			
Approved Operational Boundary Limit	1,200.0	1,200.0	1,700.0
Approved Authorised Limit	1,400.0	1,400.0	1,500.0
Forecasted CFR	**1,125.6**	**1,125.6**	**1,442.1**

3.7.5 The movement in the Loan CFR of £96.9m between 31 March 2024 and 31 March 2025 can be explained in Table 6.

Table 6: Movement in CFR

	£m
Opening Loan CFR April 2024	1,254.5
Closing Loan CFR 31 March 2025	1,357.1
Change in Loan CFR	**102.6**
Capital expenditure 2024/25	258.0
Capital expenditure Financing	(110.5)
MRP	(24.9)
Service Loans Repaid	(0.9)
I4B Technical Adjustment	(19.1)
Other	
Total Movements in CFR	**102.6**

3.8 Minimum Revenue Provision

3.8.1 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.

3.8.2 On 10th April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). The majority of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7th May 2024 sufficient MRP must be charged so that the outstanding CFR in respect of the loan is no higher than the principal outstanding less the Expected Credit Loss (ECL) charge for that loan.

3.8.3 The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).

3.8.4 The total MRP charge for 2024/25 was £19.8m and consisted of £15.1m for capital programme borrowings (historical supported borrowings and unsupported borrowings); and £4.7m for finance leases. A further £0.9m was received by the Council for service loan repayments. Total debt repayments equated to £20.7m. The Council did not make any voluntary MRP during the year.

3.9 Cost of Borrowing

3.9.1 The Councils debt management and treasury investment income budget is managed centrally. Total budget available during the year inclusive of budget virements was £27.8m. At 31 March 2025 the total interest payable on the Council's debt portfolio and debt related expenses amounted to £35.3m. Total income generated from cash investments and service investments amounted to £17.8m. Net Interest was £17.5m. MRP due on capital programme borrowings equated to £15.1m (excluding PFI; finance leases and service loan repayments). A further £8.9m was used as Revenue Contributions to Capital Outlay to support the financing of the 2024/25 capital programme, resulting a total capital financing cost of £41.5m for the financial year. The budget variance of £13.7m was offset against a drawdown from the capital reserves. Details are provided in Table 7. Growth has been added to the capital financing budget in 2025/26 of circa £7m to recognise the increase in costs of delivering past and future capital programmes and ensuring the current five-year capital programme remains affordable. The increase in cost is due to the current high-interest rate environment; and legislative changes around MRP and the recognition that the two thirds of the Council's capital programme is dependent on debt finance.

Table 7: 2024/25 Capital financing

Capital Financing Costs at Q4 (£m)	**2024/25 Actual**
Total Gross External Debt Interest	32.4
Total Interest Payable & Expenses	35.3
Total Interest Receivable	(17.8)
Net Interest	**17.5**
MRP (Excluding PFI)	15.1
Total Interest & MRP	**32.6**
Revenue Contributions to Capital Programme	8.9
Total Capital Financing Costs	**41.5**

3.9.2 Higher interest rates throughout 2024/25 have increased the cost of short-term loans. The Council pursued its strategy of keeping external borrowing lower than its underlying level by temporarily using cash held for other purposes, known as internal borrowing, in order to reduce risk and minimise the interest costs incurred from external borrowing.

3.9.3 Interest on treasury cash investments has been generated on cash balances held mainly within money market funds and investments with the Debt Management office. The Council has generated a rate of return of 4.53% for 2024/25 (5.31% for 2023/24). The reduction in the investment return reflects the decrease in the Bank of England's Bank Rate during 2024/25.

3.9.4 Investment income has also been generated on service investments that includes loans advanced to I4B and First Wave Housing, two wholly owned Council companies; Brent schools, Alperton Academy and the West London Waste Authority.

3.10 Investment Activity

3.10.1 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.

3.10.2 The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves. During the year, the Council's investment balances ranged between £8.9m and £131.6m due to timing differences between income and expenditure. The investment position is shown in table 8 below.

Table 8: Treasury investment activity

	31-Mar-24	**Movement**	**31-Mar-25**
	£m	**£m**	**£m**
Local Authority and DMADF Deposits	5.0	(5.0)	0.0
Money Market Funds	90.3	(43.0)	47.3
Total Cash Investments (Excluding accrued interest)	**95.3**	**(48.0)**	**47.3**

3.10.3 The CIPFA Treasury Management Code requires local authorities to consider their counterparty policies in light of 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.

3.10.4 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.

3.10.5 Increasing interest rates have led to improved returns on our short-dated holdings. At 31st March 2025, the Council achieved circa 4.53% from cash investment holdings, which compares to compares to 5.31% a year earlier. Rates have decreased throughout the year in line with the decrease in Bank Rate. Appendix 3 details the average rate earned on investments against credit risk exposure.

3.10.6 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. There was also a focus on holding funds with high credit ratings, providing increased security over the Council's investment portfolio.

3.10.7 The Authority 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.

3.10.8 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%
31.03.2025	4.88	A+	100%	1	4.53%
Similar Local Authorities*	4.90	A+	73%	13	4.80%
All Local Authorities*	4.77	A+	64%	8	4.65%

*Arlingclose clients only

3.10.9 The Council's investment return and credit risk exposure is broadly the same as other London Councils, and better on average than all local authorities that are advised by Arlingclose. The exception to the 2024/25 benchmarking performance against other London Councils is that Brent is able to access its cash investments for liquidity purposes within 1 day whereas other London Councils require 13 days on average to access their cash investments. Other Local Authorities require on average 8 days. This reflects the type of investment instruments used by Brent in 2024/25 which was money market funds only. However, Brent has 100% Bail-in exposure risk which means that 100% of cash holdings is exposed to some monetary loss in the event that the underlying assets within the fund were to default. Other London Councils have diversified investments that reduce Bail-in risk to 73% through the use of Strategic Funds and other instruments. Other local authorities have a Bail-in risk exposure of 64%.

3.11 Non-Treasury Investment Activity

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.

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

3.11.2 The Council also held £252.6m of such investments as at 31 March 2024:

- Shareholding in subsidiaries: £36.4m (£36.4m in 2024/25).
- Loans to subsidiaries £216.2m (£216.3m in 2023/24).

3.11.3 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 31st March 2025, the Council had provided loan financing of £182.4m to i4B (£182.1m in 2023/24) which are secured against the company's properties. No loans were repaid in 2024/25 as the loans are arranged on a maturity structure and repayable at the end of the loan term. A new loan of £0.3m was raised in 2024/25. The Council received £5.3m (£5.3m in 2023/24) in interest for loans to I4B. The loans are secured against the properties held within the company. The Council also holds an equity investment of £36.4m (£36.4m in 2023/24) that comprises of £1 shares.

3.11.4 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). As of 31 March 2025, there were outstanding loans to Brent Council totalling £33.8m (£34.3m in 2023/24) which are secured against the properties held within the company. The Council received £0.7m in interest for loans to FWH (£0.7m in 2024/25) and a capital repayment of £0.4m (£0.4m in 2023/24). There were no new loans advanced to FWH.

3.11.5 These investments generated £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 Treasury Management Training

3.12.1 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. Staff attend CIPFA and Arlingclose workshops and webinars.

3.12.2 Training for Members is also kept under review. In 2024/25 Officers delivered two treasury management training sessions to the Audit and Standards Advisory Committee (July and December 2024) and one training session to all Members (February 2025)

3.13 Compliance

3.13.1 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.

3.13.2 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

4.1.1 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 legal basis for producing council reports on its Treasury Management Activities is founded on a combination of statutory requirements and professional codes which ensure that local authorities manage their financial resources effectively, maintaining public trust and uphold the principles of good governance.

6.2 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, ensuring transparency, accountability and prudent financial management. 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. As such, this report forms an element of the Council's reporting structure which involves, in due course and following consideration by Cabinet, a report setting out the Council's Treasury Management activity for the year to be submitted to Full Council for approval.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 There are no equality, 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. There were no new long-term investments made during 2024/25.

9.0 Human Resources/Property Considerations

9.1 None other than outlined in the report.

10. Communication Considerations

10.1 No additional communication strategies are required for this report.

<u>Report sign off:</u>

Minesh Patel
Corporate Director, Finance and Resources