

	Audit and Standards Advisory Committee 3 December 2025
	Report from the Corporate Director, Finance and Resources
	Lead Member – Deputy Leader & Cabinet Member for Finance & Resources (Councillor Mili Patel)
Treasury Management Strategy Report 2026/27	

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:	Four Appendix 1: Treasury Management Strategy 2026/27 Appendix 2: Economic Commentary & Interest Rate Forecast Appendix 3: Average Rate Vs Credit Risk Appendix 4: Existing Investment & Debt Portfolio
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Karima Mbarak, Senior Finance Analyst Capital, Treasury & Commercial Phone: 02089371192 Email: karima.mbarak@brent.gov.uk Oliver Simms, Head of Finance (Capital, Treasury and Commercial) Capital, Treasury & Commercial Phone: 02089373484 Email: Oliver.simms@brent.gov.uk

1.0 Executive Summary

- 1.1 This report presents the draft Treasury Management Strategy (TMS) for 2026/27 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 2026. 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 34.
4. Treasury Investment Strategy as set out in paragraph 50
Investment limits and approved counterparties shown in paragraph 56.
5. Treasury management prudential indicators are set out in paragraph 81.

2.0 **Recommendation(s)**

- 2.1 That the Audit and Standards Advisory Committee considers and comments on the draft Treasury Management Strategy 2026/27 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 2026/27 and includes details on:

- Borrowing Strategy and sources of debt finance
- Investment Strategy, investment types and prescribed limits
- Treasury Management Indicators for 2026/27
- Alternative options/strategies
- External context
- Local context

- 3.1.3 The draft Strategy is included in Appendix 1 and is currently based on October 2025 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 2026.

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 2026/27, including provisions for Minimum Revenue Provision (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 2026.

6.0 Legal Considerations

- 6.1 The Local Government Act 2003 and the regulations made under that Act require the Council to set out an annual statement of its treasury management strategy for borrowing, having regard to the CIPFA Prudential Code of Practice and Treasury Management Code of Practice.

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 Human Resources/Property Considerations

- 9.1 There are no human resources or property considerations arising from this report.

10.0 Communication Considerations

- 10.1 No additional communication strategies are required for this report.

Report sign off:

Minesh Patel

Corporate Director, Finance and Resources