	Audit and Standards Advisory Committee 30 November 2026
	Report from the Corporate Director, Finance and Resources
	Lead Member - Deputy Leader & Cabinet Member for Finance & Resources (Councillor Gwen Grahl)

Treasury Management Mid-Year Report 2026/27

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
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)	Naomi Hayes, Senior Finance Analyst. Capital, Treasury & Commercial 020 8937 3921 Email: naomi.hayes@brent.gov.uk Oliver Simms, Head of Finance (Capital, Treasury and Commercial). Capital, Treasury & Commercial 020 8937 3484 Email: Oliver.simms@brent.gov.uk

1.0 Executive Summary

1.1 This report updates Members on Treasury activity for the first half of the financial year 2026/27 (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:

1.3.1 The Council has complied with its Prudential Indicators as at quarter two of 2026/27 (included in Appendix 4 and also published as an appendix to the council's Q2 outturn report on 12 October 2026).

1.3.2 Borrowing outstanding at 30 September 2026 was £1,081.1m and has increased from £1,074.0m at the beginning of the financial year, a change of £7.1m. The increase in debt was driven by new loans to fund the capital programme.

1.3.3 Cash investments at 30 September 2026 were £73.6m compared to £43.6m at the beginning of the financial year, a change of £30.0m. The change is caused by slippage in the capital programme.

1.3.4 Forecast net interest costs for 2026/27 are £37.1m consisting of £21.4m General Fund and £15.7m Housing Revenue Account. The £21.4m for the General Fund consists of interest costs of £31.5m and interest income of £10.1m, whilst the HRA has no interest income.

1.3.5 The Council had generated interest income of £1.1m on cash investments as at 30 September 2026. This income reflects the Council's cash position and the current level of the Bank of England's Bank Rate. Bank Rate was maintained at 3.75% in September 2026.

1.3.6 The economic environment remains highly volatile with sluggish economic growth and inflation remaining above the Bank of England's 2% target, peaking at 3.6% in September. The Bank of England maintained interest rates at 3.75% throughout the period, but rates available to local authorities, particularly long-term rates, have increased because of the uncertain economic environment. This makes accurate forecasting and viability appraisals challenging.

2.0 Recommendation(s)

That the Audit and Standards Advisory Committee:

2.1 Note and comment on the overall financial performance up to quarter two of 2026/27 and note the Council has had complied with the prudential indicators as set by Council on 23 February 2026.

2.2 Approve the submission of the report to Cabinet 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 Contribution to the Council Plan, *Believe in Brent 2026 – 2030* & Strategic Context

3.1.1 The regular reporting of treasury management activities assists Members in scrutinising 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 period to support investment in the Council's Capital Programme and invests cash balances held for short periods. It is therefore exposed to financial risks including the loss of invested funds and the revenue impact of rising 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 reports twice per year as well as an annual strategy.

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 23 February 2026.

3.3 Economic Background

3.3.1 Key points emerging for the first two quarters of 2026/27:

- UK Inflation and Monetary Policy Response: Inflation initially declined in the first quarter but rose again in the second (from 2.6% in June to 3.1% in August) and remained persistently above the Bank of England's 2% target. Despite concern over the energy shock triggered by conflict in the Middle East driving inflation up, the Bank of England has maintained the Bank Rate throughout 2026/27 at 3.75%.

- Economic Growth and Labour Market Softening: UK GDP growth was higher than anticipated with Q1 growth at 0.6% and Q2 at 0.5%. Labour market indicators showed declining unemployment rate and falling vacancies, suggesting a cooling economy and softer labour demand reducing inflationary pressure.

- Market Volatility and Gilt Yields: Financial markets remained volatile during the period, with UK 10-year and 20-year gilt yields rising significantly.

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

3.4 Balance Sheet Summary

3.4.1 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. Balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

3.4.2 The CFR has two elements: the loan CFR is the Council's capital investment financed through traditional external borrowing. The PFI and leases CFR is the long-term obligations that are treated like borrowing for accounting purposes but are repaid through contractual payments rather than loans.

Table 1: Balance Sheet Summary

Balance Sheet Summary CFR	31-Mar-26 Actual £m			31-Mar-27 Forecast £m		
	General Fund	**HRA**	**Total**	**General Fund**	**HRA**	**Total**
Loan CFR	989.9	368.3	**1,358.2**	1,043.0	422.3	**1,465.3**
PFI & Lease CFR	61.7	-	**61.7**	60.0	46.5	**106.5**
Total CFR	**1,051.6**	**368.3**	**1,419.9**	**1,103.0**	**468.8**	**1,571.8**

	31-Mar-26 Actual £m	**31-Mar-27 Forecast £m**
Loan CFR	1,358.2	1,465.3
External borrowing (Excluding accrued interest)	1,074.0	1,163.2
Internal Borrowing (Loans CFR less external borrowing)	**284.1**	**302.1**

3.4.3 The Housing Revenue Account is a ringfenced account to record income and expenditure related to social housing. As permitted by regulations, the Council appropriates HRA land to the General Fund for the purposes of regeneration and development. During 2026/27, assets with an estimated social housing value of £40.1m are expected to appropriate from the General Fund to the HRA, impacting their respective loan CFRs. These assets are housing schemes completing in year which will be operated within the HRA but were held in the General Fund for the course of the development. The developments expected to complete and appropriate to the HRA in 2026/27 are Church End, Wembley Housing Zones and Neville, Winterleys, Carlton House and Carlton Hall (NWCC) East (part of the South Kilburn regeneration programme).

3.4.4 The HRA PFI and Leases CFR is also estimated to increase in 2026/27 from £0 to £46.5m. The increase is the recognition of the Alperton Bus Garage lease which completed in May 2026. This is the first time that the Council has entered into this kind of lease acquisition arrangement for a new social housing development in the HRA.

3.4.5 The forecast increase in the Loan CFR of £107.1m between 31 March 2026 and 31 March 2027 is shown in table 2 below.

3.4.6 Forecast loan CFR at 31 March 2027 is £1,465.3m. This can be split between the General Fund (£1,043.0m) and the HRA (£422.3m). 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 be financed through external debt is instead paid for through cash resources that are intended for other purposes. Cash is replenished later. The Council's borrowing position is further discussed later in the report in the borrowing section.

3.4.7 The General Fund CFR will reduce by the application of Minimum Revenue Provision (MRP) at year end, currently forecast as £18m (excluding PFI/Leases) and consists of capital programme borrowings (historical supported borrowings and unsupported borrowings). MRP is a prudent charge to revenue for the repayment of borrowing in the General Fund. When we charge MRP, we are effectively setting aside money from the revenue budget to repay part of that borrowing need. This reduces our underlying need to borrow, so the CFR reduces as well. 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.

Table 2: Movement in CFR

Movement in CFR	**£m**
Opening Loan CFR 1 April 2026	1,358.2
Forecast closing Loan CFR 31 March 2027	1,465.3
Forecast Change in Loan CFR	**107.1**
Forecast Capital Expenditure 2026/27	267.7
Capital Expenditure Financing	(142.6)
Minimum Revenue Provision	(17.0)
Service Loans Repaid	(1.0)
Total Movement in CFR	**107.1**

3.4.8 The treasury management position at 30 September 2026 and the change during the first half of the year is shown in Table 3 below. As of 30 September 2026, the Council had a net borrowing position of £1,007.5m arising from its capital income and expenditure.

Table 3: Treasury Management Summary

	01-Apr-26 Actual £m	Movement	30-Sep-26 Actual £m
Short-term Borrowing	65.0	10.0	75.0
Long-term Borrowing	1,009.0	(2.9)	1,006.1
Total External Debt (excluding accrued interest)	**1,074.0**	**7.1**	**1,081.1**
Money Market Funds	(43.6)	(30.0)	(73.6)
Total Cash Investments	**(43.6)**	**(30.0)**	**(73.6)**
Net Debt	**1,030.4**	**(22.9)**	**1,007.5**

3.4.9 Overall borrowing has increased by £7.1m over the first two quarters of 2026/27 as new loans were taken out to fund the council's capital programme. Further details are provided in Table 5.

3.4.10 Cash investments increased by £30.0m in the first two quarters of 2026/27 as a result of the recent £13.8m capital receipt from the Peel development and reduced actuals against the Council's capital programme compared to this time last year. Cash is subject to significant fluctuation: the lowest cash balance in the period was £23.2m in June and the highest was £89.2m in April – a range of £66m.

3.4.11 Appendix 2 to this report outlines the full debt and investment portfolio as at 30 September 2026.

3.5 Borrowing

3.5.1 The main objective when borrowing is ensuring a balance between low interest costs and cost certainty over the duration for which the funds have been required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. In 2026/27 the council has faced an increasingly high and volatile interest rate environment, therefore monitoring interest rates regularly has become critical. 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 Councils should only make investment or spending decisions that are directly and primarily related to the functions of the Council.

3.5.3 The Council has complied with these requirements 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 increased between April and September 2026. In the US, yields on US Treasuries have risen to their highest levels in years, impacting global bond markets including UK gilt yields which PWLB loan rates are priced off.

3.5.5 The PWLB certainty rate for 10-year maturity loans was 5.6% at the start of the period and rose to 6.2% by the end. The cost of short-term borrowing from other local authorities has also increased over the period, with rates consistently above 5% throughout September. The table below shows the interest rate changes in Bank rate and PWLB rates between financial year ends provided by Arlingclose.

Table 4: Interest Rate Changes

Interest Rate	**01-Apr-26**	**30-Sep-26**
Bank Rate	3.75%	3.75%
1-year PWLB certainty rate, maturity loans	4.94%	5.29%
5-year PWLB certainty rate, maturity loans	5.18%	5.80%
10-year PWLB certainty rate, maturity loans	5.64%	6.17%
20-year PWLB certainty rate, maturity loans	6.15%	6.61%
50-year PWLB certainty rate, maturity loans	6.01%	6.37%

3.5.6 The PWLB currently provide a discounted a rate for new HRA loans which is 0.4% below the certainty rate and is available up to March 2028. This discounted rate is to support local authorities borrowing for the HRA and for refinancing existing HRA loans. To date in 2026/27, the Council has not taken out any new HRA loans as there is no new external borrowing need within the HRA. However, the Council will continue to monitor the opportunity to do so in line with the treasury management strategy and the council's HRA business plan and objectives.

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

3.5.8 The Council had a borrowing position of £1,074.0m as at 1 April 2026. This had increased to £1,081.1m as at 30 September 2026. Table 5 provides the breakdown of loan balances.

Table 5: Borrowing Position

Loan Type	01-Apr-26 £m	New Loans £m	Repaid Loans £m	30-Sep-26 £m
PWLB	874.5	10.0	(24.9)	859.6
LOBO	39.5	-	-	39.5
Private Debt	95.0	-	-	95.0
Local Authority	65.0	49.0	(39.0)	75.0
GLA Green Finance Fund	0.0	12.0	-	12.0
Total Debt Outstanding	**1,074.0**	**71.0**	**(63.9)**	**1,081.1**

3.5.9 The Council had raised £71m of new loans since the beginning of the financial year 2026/27. Of the £71m new loans, £49m are new loans from other local authorities with an average rate of 4.7% and £10m is a new PWLB loan at 5.4% (including a 0.2% certainty rate discount from the PWLB). There is a further £12m borrowed from the GLA's Green Finance Fund for the South Kilburn Heat Network. This has a reduced interest rate of 5% discounted to 4% for the first 3 years. These new loans have been driven by a combination of daily cashflow requirements, the council's internal borrowing position and the requirement to borrow to fund the Council's capital programme due to limited availability of other sources.

3.5.10 The 4.7% interest rate achieved on new inter authority loans is higher than achieved this time last year (4.3%), reflecting increases in short-term borrowing rates. Across the total debt portfolio (previous loans raised before April 2026 and new loans taken out post April 2026) loans from other local authorities have an average interest rate of 4.6% with an average duration of 351 days.

3.5.11 By 30 September 2026, the Council had repaid £63.9m of loans. These include loans from the PWLB (£24.9) and loans from other local authorities (£39.0m).

3.5.12 Overall, the total debt movement was a net increase of £7.1m.

3.6 Loan Restructuring: No loans were restructured during the first two quarters of 2026/27. The Council will continue to monitor and evaluate the opportunity to restructure existing loans as and when opportunities arise.

3.7 LOBO Loans: As at 30 September 2026 the Council was holding £39.5m of LOBO loans. There is one option date in 2026/27 in December for a £9.5m loan. The Council will continue to keep the LOBO portfolio under review and consider any opportunities that arise to repay or restructure to mitigate against interest rate risk.

3.8 Forward Borrowing: As at 30 September 2026, officers have arranged £29m of short-term loans from other local authorities to start in October 2026, with an average rate of 5.1%. The interest rates on inter-authority loans have increased

over the period as a result of increased demand as fewer authorities have surplus cash. The Council's cashflow forecast has identified a need to borrow cash to finance the capital programme during quarter 3. In line with proper cashflow monitoring and advice from the treasury advisors Arlingclose, the Council has taken a little and often approach to borrowing to take advantage of short-term reductions in interest rates and limit holding excessive cash. The Council will plan ahead to limit borrowing in March when rates on the inter-authority market tend to spike due to high demand from other Councils.

3.9 Maturity Profile of Debt

3.9.1 The forecast for 31 March 2027 is that the Council will have 98 loans spread over 50 years. The maturity profile allows the Council to spread the risk of high interest rates when debt matures in any one year.

Table 6: Debt Maturity Profile

Maturity Profile at 31 March 2027 (£m)	2026/27	Proportion as a percentage %
<1 Year	93.7	8.7%
1-2 Years	163.7	15.1%
3-5 years	111.1	10.3%
5-10 Years	201.2	18.6%
10-20 Years	135.9	12.6%
20-30 Years	164.4	15.2%
30-40 Years	106.2	9.8%
40+ Years	105.0	9.7%
Debt outstanding	**1,081.1**	**100%**

3.9.2 The maturity loan profile includes existing debt and forward starting loans as agreed at 30 September 2026 and excludes any planned future borrowing.

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. As at 30 September 2026, the Council was holding investment balances of £73.6m, an increase of £30.0m from the start of year balance of £43.6m. The increase is due to higher income received in the first half of the year which is a year-on-year trend with grant income consistently received in the first half of the year. The increase is also driven by slippage in the capital programme leading to less expenditure than forecast. However, the investment position is subject to significant volatility as the cash needs of the Council vary on a daily basis. As set out in paragraph 3.4.10, the range of the Council's investment balance in the period was £66.0m. The investment position is shown in table 7 below.

Table 7: Treasury Investment Activity

	31-Mar-26 £m	**Movement £m**	**30-Sep-26 £m**
Local Authority and DMADF Deposits	-	-	-
Money Market Funds	43.6	30.0	73.6
Total Cash Investments (Excluding accrued interest)	**43.6**	**30.0**	**73.6**

3.10.3 The CIPFA Treasury Management Code requires local authorities to consider their counterparty policies considering environmental, social and governance (ESG) information. The Council prioritises funds which 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 The Council continues to be a long-term borrower due to its ambitious capital programme and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. Therefore, the primary investment the Council makes is in money market funds. These provide the Council with improved security through high credit ratings and liquidity through the accessibility function of redeeming funds on the same day.

3.10.6 Investment interest rates on short-term cash holdings are lower than a year ago. As at 30 September 2026, the Council has achieved an average of 3.92%

interest income from cash investment holdings, which compares to 4.26% a year earlier. This is because, despite rising long-term rates caused by economic uncertainty, the Bank of England base rate was reduced by 0.25% in December 2025 and this has been reflected in the rates offered by money market funds, as discussed in the economic commentary provided in Appendix 1. Appendix 2 summarises the council's portfolio as at 30 September 2026 and the average rates. In addition, Appendix 3 details the average rate earned on investments against credit risk exposure.

3.10.7 This low risk approach taken by the Council is reflected in benchmarking data in table 8. The Council's investments have a higher credit score but the Council has achieved a lower rate of return than other authorities, who have invested in less liquid Pooled Funds. In addition to reduced liquidity, changes in accounting requirements in 2025/26 means gains and losses in valuations need to be recognised in the General Fund. This makes accurate forecasting difficult and could mean the need for sudden revenue budget savings to ensure a balanced budget. The Council will keep this position under review and will consider using Pooled Funds should liquidity requirements allow and yield remain high.

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

Table 8: Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure*	Weighted Average Maturity (days)	Rate of Return
31.03.2026	4.85	A+	100%	1	3.82%
30.09.2026	4.85	A+	100%	1	3.92%
Similar Local Authorities**	4.72	A+	87%	20	4.00%
All Local Authorities**	4.58	A+	67%	10	4.16%

*Bail-in exposure means money invested with banks that could potentially be used to absorb losses if that bank were to fail. The Council's 100% bail-in exposure means that all of its investments are with institutions that are subject to bail-in rules, such as commercial banks. It does not mean the authority is expected to lose its money, only that all of its investments are exposed to that type of risk if a bank were to get into financial difficulty.

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3.11 Non-Treasury Investment Activity

3.11.1 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). All non-Treasury investments are held for service purposes. They include equity stakes and loans to subsidiaries.

3.11.2 As at 30 September 2026 the Council held £287.5m of investments for service purposes:

- Shareholding in subsidiaries: £43.9m
- Loans to subsidiaries: £212.6m
- Loans to schools, academies and colleges: £17.3m
- Loan to West London Waste Authority: £13.7m

3.11.3 I4B Holdings Limited is a company wholly owned by Brent Council. The primary purpose of the company is to provide affordable homes to help reduce homelessness in the borough. As at 30 September 2026, the Council had provided total investment of £223.1m in I4B (£223.1m in 2025/26), which is secured against the company's properties. The investment is split between £179.2m loans and £43.9m equity financing. Based on current loans, the Council is expected to receive £5.2m in interest for loans advanced to I4B by 31 March 2027.

3.11.4 The Council expects to issue new loans to the company and purchase equity in the latter half of 2026/27 under the Phase 3 £32m capital loan and £8m equity facility.

3.11.5 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 2027 for loans to FWH and is expecting to receive capital repayment of £0.5m. As at 30 September 2026, there were outstanding loans to FWH of £32.9m (£33.4m in 2025/26), which are secured against the properties held within the company.

3.11.6 Loans to subsidiaries are expected to generate £5.9m of income for the Council in 2026/27 (£5.9m in 2025/26). This interest 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 Capital Financing Costs

3.12.1 Total net interest costs are forecast to be £37.1m (£31.0m in 2025/26), reflecting the high-interest rate environment and the cost of servicing loans required for servicing the Council's ambitious capital programme.

Table 9: Debt Costs

Capital Financing Costs at Q2 (£m)	2025/26 Actual	2026/27 Forecast
Total External Debt Interest Payable & Expenses	41.1	47.2
Total Interest Receivable	(10.1)	(10.1)
Net Interest	**31.0**	**37.1**
MRP (Excluding PFI)	16.5	18.0
Total Interest & MRP	**47.5**	**55.1**

3.12.2 The net interest cost are split between the General Fund (£21.4m) and HRA (£15.7m). The interest receivable and MRP are only attributable to the General Fund because the Council does not hold separate HRA cash investments and does not charge MRP on HRA assets due to its self-financing structure.

3.12.3 The total capital financing cost forecast includes:

- The interest costs from borrowing £125.2m of new loans (the council has taken out £71m new loans as illustrated in table 3) to fund the Council's capital programme borrowing need as well as to finance maturing debt at an assumed average interest rate of 5.47%.
- Interest on treasury cash investments with an average cash balance of £56.7m earning an assumed rate of 3.8%.

- Expected interest on subsidiary loans related to I4B and First Wave Housing, two wholly owned Council companies, and service loan advances to Brent schools; the West London Waste Authority and Alperton Academy are also included in the forecast.

- The forecast total interest of £37.1m is an increase on the prior year due to further external borrowing to fund the capital programme and re-financing of maturing debt. 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 is set out in the annual MRP policy approved by full cabinet each financial year, which results in a lower charge in the earlier period of the repayment schedule but increases over time.

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 and formal treasury training sessions are provided on an annual basis.

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 (Q2 September 2026/27 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 Audit and Standards Advisory Committee, a report setting out the Council's Treasury Management activity and Treasury Management Strategy 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 ensures 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 (if appropriate)

9.1 There are no Human Resources/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