

MINUTES OF THE TREASURY MANAGEMENT AND INVESTMENT SUB COMMITTEE

held on 12th January 2026

Present:

Councillor K. Franks (Chair)

Councillors S. Hall, M. Sismey, A. Sosin, N. Walsh and R. Whitehead

Also in attendance:

Councillors C. Davidson and B. Knight

1. Apologies for Absence and Substitutions

No apologies were received.

2. Minutes

The minutes of the meeting held on 13 October 2025, were agreed as a correct record.

3. Declaration of Interests

All Members were reminded to declare any Disclosable Pecuniary interests or other registerable interests where appropriate in any items of business on the meeting's agenda. None were made.

4. Public Question Time

No public questions or statements were received for the meeting.

5. Treasury Management & Investment Strategies 2026/27

The Sub-Committee received a draft report regarding the proposed Treasury Management and Investment Strategies for 2026/27, which would be taken to the Cabinet meeting on 27th January 2026. Members were asked to review the draft report and recommend the strategies to Cabinet and then to Full Council on 25th February.

The Sub-Committee were informed that the Council is entering a period of borrowing as cash balances reduce due to funding the capital programme. To strengthen cashflow resilience, the liquidity target was proposed to increase from £5m to £10m. It was also noted that the limit for balances held in the Multi-Asset Fund would be reduced from £12m to £8m. Officers advised that cash available for investment was expected to decline as the capital programme progressed and that, prior to completion of the budget, gross interest income of approximately £800k

was forecast for 2026/27, based on an assumed average interest rate of 3.71% across the Council's portfolio.

Members were informed that the Government had proposed from 2026/27 Council Tax would be collected over twelve months rather than ten, which would remove the early year cashflow boost and result in a more even flow of income throughout the year. The estimates of cashflow reflected that change but the position was unclear whether Government had formally committed to the change yet.

Members were advised that interest rates were difficult to forecast and that risks were largely political. The Bank Rate had been reduced to 3.75% in December 2025 and was expected to fall further. The forecast year-end investment balance is shown in the report but along with a borrowing forecast but both may be revised for new items of expenditure and income proposed in the budget report. The s151 will update the report for Cabinet as necessary.

It was explained that the Council was heavily internally borrowed, using reserves and balances instead of external loans, which was cheaper than market borrowing. The authorised limit was described as the maximum level of debt permitted by the Council, while the operational boundary represented the day-to-day expected maximum. Members were informed that investments would continue to focus on money market funds to provide liquidity and spread risk, with an indicative interest income of £800,000 for 2026/27 based on an average portfolio of £21 million at 3.7%.

It was highlighted that political risk remained the most significant issue, and members were asked to consider whether they were comfortable continuing to invest in the current market conditions. The performance of multi-asset funds was discussed. It was agreed that these funds would remain under review, with decisions on whether to hold or sell based on market recovery and risk tolerance.

Members were also advised that commercial property investments were valued at £50.3 million and were forecast to rise to £58.4 million by 2027, assuming Springfield Lyons was let, and that the limit for commercial income remained at 19% of the net revenue stream.

It was RESOLVED that:

1. authority be delegate to the Financial Services Manager (s151) to update financial tables in this report prior to Cabinet to allow for new proposals included in the Budget 2026/27 report.
2. The Treasury Management and Investment Strategies be recommended to Cabinet.

(7.02pm to 7:37pm)

[Exclusion of the Public](#)

Resolved that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for Item 6 on the grounds that it involved the likely disclosure of exempt information falling within paragraph 3 of Part 1 of Schedule 12A to the Act.

6. [Cashflow Forecasting 2026/27](#)

The Sub-Committee received an update on the Council's Cashflow forecast for 2026/27.

It was RESOLVED that the report be noted by the Sub-Committee.

7. [Urgent Business](#)

There were no matters of urgent business.

The meeting closed at 8:02pm.

Chair