REPORT OF THE AUDIT COMMITTEE No. 1, 2026/27

FULL COUNCIL 23 November 2026

Chair: Councillor Tony Powell

1. INTRODUCTION

1.1. The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve treasury management reports on a semi-annual and annual basis.

1.2. The Council's Treasury Management Strategy for 2026/27 was approved at a full Council meeting on 2nd March 2026. The Council undertakes borrowing and investment activities to support the delivery of its capital programme and manage day-to-day cash flow requirements. As a result, it is exposed to a range of financial risks, including credit risk, liquidity risk, refinancing risk and the impact of changes in interest rates. The effective identification, monitoring and management of these risks remains a fundamental component of the Council's Treasury Management Strategy, ensuring that security, liquidity and affordability are maintained.

1.3. The attached report provides an update to the Audit Committee on the Council's treasury management activities and performance for the six months ending 30th September 2026, in accordance with the CIPFA Code and was considered by Audit Committee on the 3rd of November 2026.

2. TREASURY MANAGEMENT Q1 REPORT 2026/27

Ms Taryn Eves, Corporate Director of Finance Resources, introduced the report noting in conclusion that all reported metrics were within the targets set in the Treasury Management Strategy Statement approved by Full Council in March.

The meeting heard:

- In relation to the repayment of £40 million of LOBO loans, a query was raised on whether there was a premium associated with it. In response, the meeting heard that the lenders wished to increase rates so the Council opted to repay to avoid higher interest costs.
- Page 191 of the agenda papers contained 'Table 10: Treasury Performance'. When the Council set the budget in March 2026, it set a budget of £36 million of borrowing costs. The forecast to the end of the year (2026/27) was £34.4 million. The £1.6

million difference was a projected underspend on the Council's borrowing costs that following an underspend on capital projects.

Full Council is recommended to

1. To note the treasury management activity undertaken during the financial year to 30th September 2026 and the performance achieved which is attached as Appendix 1 to this report.

2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy