

Item No	Referred from:	FINANCE, AUDIT AND RISK COMMITTEE
<b>6C</b>	Date:	10 September 2025
	Title of item:	First Quarter Treasury Management Review 2025/ 26
To be considered alongside agenda item:		Agenda Item 15 – First Quarter Treasury Management Review 2025/26

The report considered by Finance, Audit and Risk Committee at the meeting held on 10 September 2025 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 10th September, 2025, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** That Finance, Audit and Risk Committee provided comments to Cabinet on the position of Treasury Management activity as at the end of June 2025.

**REASON FOR RECOMMENDATION:** To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

*Audio recording – 1 hour 52 minutes 55 seconds*

*N.B. Cllr Paul Ward declared an interest in this item due to his employment and left the chamber.*

The Director – Resources presented the report entitled 'First Quarter Treasury Management Review 202526' and highlighted that:

- There was an additional income of £1million due to higher interest rate, it was at 5.1% at the start of quarter and reduced to 4.51% at the end both of which were above the Councils forecast. Balances available for investment were also higher than budgeted.
- There was more investment going to banks than last year, but the majority of invest was still in Local Authorities this was shown in paragraph 8.11.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Ralph Muncer
- Independent Member John Cannon

In response to questions, the Director – Resources stated that:

- All borrowing done by all other Local Authorities would be transferred to the new Local Authorities during Local Government Reorganisation. As those successor bodies would have tax raising powers, the investment risk remained the same.
- Building Societies had recently paid lower interest rates which is why the Council had not invested in them.
- Paragraph 6.1 was in reference to Cabinet decisions and not for this Committee.

- The treasury investment strategy set out that investments with Government and then Local Authorities were the lowest risk. Investments with banks and building societies were slightly higher risk, and dependent on credit ratings.
- The investment strategy set out maximum limits for various investment types. The 16% invested in banks was within the limits in the investment strategy and could go higher.
- The Council's Treasury strategy lists the level of risk that and maximum levels of investment in each area.

Councillor Ruth Brown proposed and Councillor Sarah Lucas seconded and, following a vote, it was:

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*N.B. Cllr Paul Ward returned to the Chamber at 21:32.*