Item No	Referred from:	Cabinet
6B	Date:	16 June 2026
	Title of item:	Treasury Management End of Year Review 2025/26
To be considered alongside agenda item:		Referral Only

The report considered by Cabinet at the meeting held on 16 June 2026 can be found here: [Agenda for Cabinet on Tuesday, 16th June, 2026, 7.30 pm | North Herts Council]

RECOMMENDED TO COUNCIL: That it:

(1) Approves the actual 2025/26 prudential and treasury indicators as detailed in Appendix B.

(2) Notes the annual Treasury Management Review for 2025/26 (Appendix B).

REASON FOR RECOMMENDATIONS: 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 – 2 hours 9 minutes 50 seconds

The Chair invited Councillor Vijaiya Poopalasingham, as Chair of the Finance, Audit and Risk Committee, to present the referral on this item. Councillor Poopalasingham advised that:

- Balances were declining due to more capital spend, which meant less funding was available to invest. However, interest rates had stayed higher than expected.
- Interest returned from investments had been lower than the previous year but higher than expected at the beginning of the financial year.
- Inflation had not come down quickly, meaning that the higher than anticipated interest returns would be balanced out by higher spending in other areas.
- The current allocation of investments was shown on page 508 of the Agenda Reports Pack.
- Outstanding investments as of 31 March 2026 were shown at paragraph 8.9 of the report.
- There had been a good return on investments, but this could not always be guaranteed in the long-term.

Councillor Ian Albert, as the Executive Member for Resources, presented the report entitled 'Treasury Management End of Year Review 2025-26' and advised that:

- £2.08M had been returned from interest on investments, and while higher inflation benefitted their investments, it also impacted North Herts residents, and they sought to balance Council funding wisely.
- The position at the end of year was similar to the position at the end of Q3.
- They were required to note the breach of the strategy earlier in the year as described at paragraph 8.1 of the report, and actions would ensure this would not happen again.
- Investments continued to focus on security and liquidity first.
- Investments at the year end were shown at page 508 of the Agenda Reports Pack, and the one bank investment had now matured.

In response to a question by Councillor Mick Debenham, the Director – Resources advised that Surrey County Council had not gone through Local Government Reorganisation (LGR) yet, but there was no risk associated with this as any outstanding investments in authorities that went through LGR would be transferred to one of the new authorities.

Councillor Ian Albert proposed and Councillor Sean Nolan seconded and, following a vote, it was:

RESOLVED: That Cabinet noted the position of Treasury Management activity as at the end of March 2026.

RECOMMENDED TO COUNCIL: That it:

(1) Approves the actual 2025/26 prudential and treasury indicators as detailed in Appendix B.

(2) Notes the annual Treasury Management Review for 2025/26 (Appendix B).

REASON FOR RECOMMENDATIONS: 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.