

# Audit and Governance Committee



Date of meeting:	18 November 2025
Title of Report:	<b>Treasury Management Mid-Year Report 2025/26</b>
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Ian Trisk-Grove (Service Director for Finance)
Author:	Wendy Eldridge
Contact Email:	Wendy.eldridge@plymouth.gov.uk
Your Reference:	Finance/WE/TMMY 25-26
Key Decision:	No
Confidentiality:	Part I - Official

## Purpose of Report

The Local Government Act 2003 requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy. The Council's Strategy for 2025/26 was approved by full Council at its budget meeting on 24 February 2025.

This report provides an update on the progress and outcomes against the Treasury Management Strategy for the six-month period ended 30 September 2025. It is a requirement of the CIPFA Code of Practice on Treasury Management that a mid- year report, as a minimum, should be presented to Full Council.

## Recommendations and Reasons

1. To endorse the Mid-Year Treasury Management Report 2025/26 to Full Council.
2. To note impact created by borrowing for SEND deficit and liability benchmark exposure to high borrowing exceeding capital financing requirement.
3. To note non-compliance with the Treasury Management indicator for interest rate exposure through upper limit on fixed interest rate exposure, explained in paragraph 12.3 of this report.

*Reason: This is to comply with the CIPFA Code of Practice and discharge our statutory requirement.*

4. To endorse the following recommendations to Full Council:
  - a. Increasing the upper limit for fixed interest rate exposure to 100%
  - b. Increasing the counterparty limit from £12m to £15m for investment in Money Market Funds

*Reason: This is to support operational delivery by enabling more flexible investment and borrowing decisions in response to market conditions, while maintaining compliance with the Council's Treasury Management Strategy.*

### Alternative options considered and rejected

- I. None - It is a statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual treasury strategy for borrowing and prepare an annual investment strategy. The Council has adopted the CIPFA Code of Practice for Treasury Management.

### Relevance to the Corporate Plan and/or the Plymouth Plan

Effective financial management is fundamental to the delivery of corporate improvement priorities. Treasury Management activity has a significant impact on the Council's activity both in revenue budget terms and capital investment and is a key factor in facilitating the delivery against a number of corporate priorities.

### Implications for the Medium Term Financial Plan and Resource Implications:

Treasury Management affects the Council's budget in terms of borrowing costs and investment returns. The Treasury Management Strategy sets the authorised limits and operational boundaries within which investment and borrowing decisions are taken and risks managed. Effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

### Financial Risks

There is an inherent risk to any Treasury Management activity. The Council continues to manage this risk by ensuring all investments are undertaken in accordance with the approved investment strategy, and keeping the counterparty list under constant review.

### Legal Implications

Compliance with the CIPFA Treasury Management code is legally required under the Local Government Act 2003

### Carbon Footprint (Environmental) Implications:

No direct implications

### Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

*\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

A robust Treasury Management Strategy is key to ensuring a successful delivery of our Medium Term Financial Strategy and ensuring the Council can achieve its objectives to be a Pioneering, Growing Caring and Confident City

### Appendices

*\*Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Treasury Management Mid-Year report 2025/26							

Background papers:

\*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Ian Trisk-Grove											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 06/I I/2025											
Cabinet Member approval: Councillor Lowry (Cabinet Member for Finance) Date approved: 06/I I/2025											