Title:	**Treasury Operations Mid-Year Review 2025/26**
Committee:	Finance and Assets Committee
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1.0 Issue

1.1 To provide Members with an update on the Council's 2025/26 Treasury Management Strategy.

2.0 Recommendation

2.1. Members are asked to recommend to Full Council that the mid-year review of the Council's Treasury Management Strategy for 2025/26, as set out in Appendix 1, be noted.

3.0 Background / Options

3.1 The Chartered Institute of Public Finance and Accountancy (C.I.P.F.A.) The Revised Code of Practice on Treasury Management requires councils to adopt the revised Code and fully comply with its requirements.

3.2 This report complies with the requirement for a mid-year review.

3.3 The size of the Council's investment portfolio is relatively small and often short-term, meaning that investment decisions are made so liquidity and cash flow requirements are the priority, this rather than returns. Despite this position, opportunities for proactive investment decisions are taken where appropriate.

3.4 The loan that the Council has made to East Cambs Trading Company (ECTC) is not technically an investment but has been included in this covering report for completeness. ECTC is paying a commercial rate of interest on its loan from the Council – this is to avoid breaking State-Aid rules.

3.5 The Council's 2025/26 Treasury Management Strategy and budget detailed an expected return on investments of £929,835, with a further £206,325 of interest on the loan to ECTC.

4.0 Results

4.1 During 2025/26 the Council has operated within its approved treasury limits and Prudential Indicators; no changes have been made or proposed in relation to the counterparty values detailed in the Annual Treasury Management Strategy.

4.2 Interest rates on offer to the Council from Money Market Investment Deposit Accounts or fixed term deposits have remained relatively steady during the year. Our average interest rate when the budget was built in February 2025 was 4.55% and this has reduced to 4.09% as of 30th September 2025. The interest receipts generated on these investments to the end of September 2025 were £682,538, significantly above that forecast in the budget.

4.3 As at 30th September 2025, the Council had cash investments of £39.964 million (£36.327 million in 2024), details of these investments are included in Appendix 1. With a further £4.825 million (£6.575 million in 2024) loan to ECTC.

4.4 While the loan to the Company is not specifically an investment, it generated the Council interest receipts, £113,492, up until 30th September 2025.

4.5 In total, the combination of interest receipts on both general investments and the loan to ECTC are forecast to come in over £400,000 above budget at year-end.

5.0 Interest Payments

5.1 The Council has remained external debt-free during the first six months of the financial year, and with the healthy cash balance at the end of September, it is expected to remain so for the remainder of the year.

6.0 Conclusion

6.1 The Council's Treasury Management Strategy, as approved on 25th February 2025, continues to offer the Council the best approach to Treasury Management and the policies contained within it will continue to be followed for the remainder of the financial year.

6.2 It should be noted that the economic and interest rate forecasts detailed in Appendix 1 were those in place as at the 30th September 2025.

7.0 Additional Implications Assessment

7.1 In the table below, please put Yes or No in each box:

Financial Implications Yes	**Legal Implications No**	**Human Resources (HR) Implications No**
Equality Impact Assessment (EIA) No	**Carbon Impact Assessment (CIA) No**	**Data Protection Impact Assessment (DPIA) No**

7.2 Financial Implications - It is forecast that the Treasury Management function will provide additional income of over £400,000 when compared to the approved budget, this is recorded in the overall Finance Report for the Council (also on Committee’s agenda this evening).

8.0 Appendices

Appendix 1 - Mid-year Review report 2025/26

9.0 Background Documents:

Treasury Management Strategy as approved by Full Council on the 25th February 2025.