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TONBRIDGE & MALLING
BOROUGH COUNCIL

EXECUTIVE SERVICES

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3 February 2026

Dear Councillor

CABINET - TUESDAY, 10TH FEBRUARY, 2026

I am now able to enclose, for consideration at the Tuesday, 10th February, 2026 meeting of the Cabinet, the following reports that were unavailable when the agenda was printed.

Agenda No Item

10. **Treasury Management Update and Treasury Management and Annual Investment Strategy 2026/27 (Pages 3 - 4)**

Consideration of recommendations of the Audit Committee in respect of the 2026/27 Treasury Management and Annual Investment Strategy.

13. **Risk Management (Pages 5 - 6)**

Consideration of recommendations of the Audit Committee in respect of the risk management process and the Strategic Risk Register.

16. **Notice of Forthcoming Key Decisions (Pages 7 - 12)**

The Notice setting out the Key Decisions anticipated to be considered during the period March to April 2026 will be circulated in advance of the meeting.

Yours sincerely

DAMIAN ROBERTS
Chief Executive

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TREASURY MANAGEMENT UPDATE AND TREASURY MANAGEMENT AND AUDIT INVESTMENT STRATEGY 2026/27

Item AU 26/4 referred from Audit Committee of 26 January 2026

The report of the Head of Finance provided an overview of the Council's treasury management activities for the first eight months of the 2025/26 financial year and introduced the proposed Treasury Management and Annual Investment Strategy for 2026/27.

The Council's investments, including cash flow surpluses, core cash, property and diversified income funds, had generated interest income exceeding original budget forecasts, largely due to the Bank Rate remaining higher for longer than anticipated. The Council's approach prioritised security and liquidity, with investments diversified across highly rated UK and selected non-UK institutions. Property and diversified income funds were capped at 20% of long-term balances due to their higher risk and volatility.

The Council's returns were in line with comparator local authorities and its risk profile remained consistent with the sector average.

The Property and Multi-Asset Funds continued to generate stable income, though capital values might fluctuate. The Council had mitigated potential losses through earmarked reserves. The authority remained debt-free, with no borrowing planned unless needed to support strategic investments aligned with Council priorities.

In terms of long-term investment, particular attention was brought to the Lothbury and Hermes Property funds following concern raised by Members. The Council evaluated various options when considering the diversification of its funds. At the time, alternatives had been considered and were deemed to have carried significant risk, therefore after careful consideration, the Council had chosen to pursue property funds, which had proven to be financially beneficial overall. Members noted that it would not have been reasonable to foresee these developments at the outset. When considering the overall performance of the property portfolio, the impact of the Lothbury and Hermes Property funds accounted for approximately 5% of the portfolio's value and assurance was given that the decisions made were appropriate given the information available at the time.

In hindsight, market conditions had been turbulent, which had informed ongoing review and adjustment of investment strategies. The Council had reflected on its approach to long-term investment strategies, particularly regarding the mix of asset types within its portfolio. Members were advised that the local authority property fund had transitioned towards student accommodation and had entered into a partnership with Jupiter Asset Management, which would strengthen the Council's long-term resilience and broaden its investment resource pool.

RECOMMENDED*: That

- 1) the Treasury Management position as at 30 November 2025, be noted; and
- 2) the Treasury Management and Annual Investment Strategy for 2026/27 set out at Annex 5, be adopted.

***Recommended to Cabinet**

RISK MANAGEMENT

Item AU 26/5 referred from Audit Committee of 26 January 2026

The report of Management Team provided an update on the risk management process and the current status of the Strategic Risk Register (SSR). It highlighted the importance of efficient and effective risk management in protecting the Council's assets, employees, and customers, as well as ensuring value for money and service continuity for residents.

The Risk Management Strategy, which outlined objectives and responsibilities, was endorsed by the Committee in September 2025 and adopted by Full Council in October 2025. The Council had transitioned to a national 5x5 risk scoring matrix, categorising risks as AMBER (scores 8–12) and RED (scores 15–25), with procedures for escalating significant risks to the Corporate Management Team for inclusion in the Strategic Risk Register.

The Strategic Risk Register was regularly updated by the Management Team. An executive summary of RED (high) risks was provided, with a full version available in the annexes. Recent reviews had resulted in the removal of certain risks, such as Performance Management and Contract Procurement, due to improved protocols and external auditor feedback. However, some areas remained RED, including:

- Failure to adopt a Local Plan
- Recruitment and retention of staff
- Local Government Reorganisation in Kent

Ongoing service risks and outcomes from the escalation process were reported to the Committee, and a schedule of current and newly identified risks was appended to the report at Annex 2.

During discussion regarding increasing demand on temporary accommodation, it was noted that instead of purchasing properties, the Council had opted to lease them, thereby limiting its direct exposure to property market risk and asset management challenges. This strategy reflected an ongoing commitment to prudent risk management. The Council was however exploring the potential to invest in council-owned temporary accommodation. There was concern about the risk of over-supply, if demand did not materialise, which could lead to vacant properties and associated costs.

RECOMMENDED*: That

- (1) the updates to the Strategic Risk Register since the last iteration, be noted, with particular emphasis on those risks categorised as RED as shown in Annexes 1 and 1(a); and
- (2) the service risks identified in Annex 2, be noted.

***Recommended to Cabinet**

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TONBRIDGE AND MALLING BOROUGH COUNCIL NOTICE OF FORTHCOMING KEY DECISIONS

In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, at least 28 days before a key decision is expected to be taken a Notice of Forthcoming Key Decisions will be published. A 'key decision' is an executive decision which is likely either

- (a) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or functions to which the decision relates.

'Significant' when applied to expenditure or savings shall mean a sum in excess of £100,000 or such other sum as may be specified in any enactment or other statutory provision.

or

- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the local authority.

The Notice of Forthcoming Key Decisions sets out:

- (a) the matter in respect of which a key decision is to be made;
- (b) details of the decision taker and the date on which the key decision will be made;
- (c) a list of documents to be submitted to the decision taker for consideration in relation to the matter;
- (d) the address from which, subject to any prohibition or restriction on their disclosure, copies of or extracts from any document listed is available and the procedure for requesting details.

All key decisions will be made by the Cabinet on the dates specified unless otherwise stated*. The agenda and documents to be submitted to the Cabinet (unless they contain exempt information) will be available for inspection at the Council Offices and on the website 5 clear working days before the meeting. Copies or extracts are available from committee.services@tmbc.gov.uk or Democratic Services, Tonbridge & Malling Borough Council, Gibson Building, Gibson Drive, Kings Hill, West Malling ME19 4LZ.

This document also gives notice of the Council's intention to hold a private meeting (or part thereof) of the Cabinet. It indicates any items where it is likely that the public will be excluded because public discussion would disclose confidential or exempt information and the reasons in each case. Any representations against the intention to hold a private meeting may be made to committee.services@tmbc.gov.uk or Committee Services, Tonbridge & Malling Borough Council, Gibson Building, Gibson Drive, Kings Hill, West Malling ME19 4LZ.

Members of the Cabinet and their areas of responsibility:

Councillor Matt Boughton (Leader)
Councillor Robin Betts (Housing, Environment and Economy)
Councillor Martin Coffin (Deputy Leader; and Finance, Waste and Technical Services)
Councillor Des Keers (Community Services)
Councillor Adem Mehmet (Infrastructure and Tonbridge Regeneration)
Councillor Mike Taylor (Planning)

(*Note: This Notice is subject to change as the reporting/governance timetable may change and it may become necessary to defer decisions until the next meeting of Cabinet)

NOTICE OF FORTHCOMING KEY DECISIONS – MARCH TO MAY 2026

Description of Decision	Date of Cabinet	Who is to be consulted	Contact Officer	Documents to be submitted to Cabinet	Public or Private (reason if Private)
Homelessness Prevention and Rough Sleeper Strategy - Adoption	Between 2 Mar 2026 and 29 May 2026	<p>Internal consultation via Housing and Planning Scrutiny Select Committee and Cabinet as detailed in the reports to be considered by Members.</p> <p>(Note: This matter is a non-key decision until the Strategy is presented for adoption).</p>	Head of Housing and Regulatory Services	Officer report	Public
Decisions relating to Local Government Re-organisation (if required)	Between 2 Mar 2026 and 30 May 2026	Internal consultation via Cabinet as detailed in the reports to be considered by Members.	Chief Executive	Officer report	Public

Description of Decision	Date of Cabinet	Who is to be consulted	Contact Officer	Documents to be submitted to Cabinet	Public or Private (reason if Private)
Waste Services Contract	Between 2 Mar 2026 and 29 May 2026	Internal consultation via Communities and Environment Scrutiny Select Committee and Cabinet as detailed in the reports to be considered by Members.	Head of Street Scene and Leisure Services	Officer report	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)
Tonbridge Town Centre Programme Board - Recommendations (if any)	Between 2 Mar 2026 and 29 May 2026	Internal consultation via Cabinet as detailed in the reports to be considered by Members.	Tonbridge Town Centre Programme Manager	Officer report	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Description of Decision	Date of Cabinet	Who is to be consulted	Contact Officer	Documents to be submitted to Cabinet	Public or Private (reason if Private)
Options for Local Authority Housing Fund	Between 2 Mar 2026 and 29 May 2026	Internal consultation via Cabinet as detailed in the reports to be considered by Members.	Head of Administrative and Property Services	Officer report	Fully exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)
Internal Audit Service Agreement	Between 2 Mar 2026 and 30 Apr 2026	Internal consultation via Audit Committee and Cabinet as detailed in the reports to be considered by Members.	Head of Finance and Section 151 Officer	Officer report	Fully exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)
<p>Contact: committee.services@tmbc.gov.uk</p> <p>Published: 3 February 2026</p>					

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