

**CABINET
23 JUNE 2020**

PART 1 – PUBLIC DOCUMENT

**5a - ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 15 JUNE 2020
– INVESTMENT STRATEGY (CAPITAL AND TREASURY) END OF YEAR REVIEW
2019/20**

The Service Director – Resources presented the report entitled Investment Strategy (Capital and Treasury) End of Year Review 2019/20 and drew Members' attention the following:

- Paragraph 4.2 on page 73 within the report and advised that the primary principles governing the Council's investment criteria were the security and liquidity of its investments. After this the return was then considered, which provided an income source for the Council;
- Paragraph 8.4 on page 75 within the report and the contents in Table 2 which listed the schemes in the 2019/20 Capital Programme that will now start or continue in 2020/21;
- Paragraph 8.9 on page 78 within the report and informed that the Council's Capital Financing Requirement (CFR) at 31 March 2020 was negative £5.60 million. This means that the Council does not have a need to borrow for capital spend;
- The Treasury Management 2019/20 at paragraphs 8.10 – 8.18; and
- Paragraph 8.18 on page 80 within the report and advised that the Chief Executive (under urgency powers) had approved a removal on the limit on balances the Council held in its current account in response to Covid-19.

The following Members asked questions in respect of the Service Director's report:

- Councillor Steve Deakin-Davies.

In response to the questions raised by the Member, the Service Director – Resources responded as follows:

- A review of the benefits of Cloud computing would need to be looked at by IT; and
- It was covered in the recently approved IT Strategy.

RECOMMENDED TO CABINET:

- (1) That the expenditure of £1.473million on 2019/20 on the capital programme, paragraph 8.3 refers, and in particular the changes detailed in table 3 which resulted in a net decrease on the working estimate of £0.055million, be noted;
- (2) That the adjustments to the capital programme for 2020/21 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2020/21 by £0.277million (re-profiled from 2019/20), be approved;
- (3) That the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability, be noted;

- (4) That the application of £0.639million of capital receipts towards the 2019/20 capital programme and the drawdown of £0.397million from set aside receipts, paragraph 8.6 refers, be approved;
- (5) That the position of Treasury Management activity as at the end of March 2020 be noted.

Cabinet recommend to Council:

- (1) That the actual 2019/20 prudential and treasury indicators be approved;
- (2) That the annual Treasury Report for 2019/20 be noted.

REASONS FOR DECISIONS:

- (1) Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded;
- (2) 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.

(Take with Item 14)