

7b REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 18 JANUARY 2021 – INVESTMENT STRATEGY (INTEGRATED CAPITAL AND TREASURY)

NB: To be considered with Item 12

RECOMMENDED TO CABINET:

That Cabinet recommend to Council:

- (1) That it adopts the Investment Strategy (as attached at Appendix A), including the capital programme and prudential indicators; and
- (2) That it adopts the four clauses in relation to the Code of Practice on Treasury Management (as detailed in paragraphs 8.12 to 8.17).

REASONS FOR DECISIONS:

- (1) To ensure that the capital programme meets the Council's objectives and officers can plan the implementation of the approved schemes;
- (2) To ensure the Council's compliance with CIPFA's code of practice on Treasury Management, the Local Government Act 2003, statutory guidance from the Ministry of Housing, Communities and Local Government and the CIPFA Prudential Code. As well as determining and managing the Councils risk appetite in respect of investments.

The Service Director – Resources presented the report entitled Investment Strategy (Integrated Capital and Treasury) and advised that new capital investments were outlined in the appendices.

The Service Director – Resources highlighted the following key sections within the report:

- Paragraph 8.4 - Tables 6 and 7 on pages 13 and 14 detailed what had been presented to the budget workshops. However, the two exceptions to this were the proposed changes to the IT budgets for purchase of laptops and the addition of a £27k budget for the purchase of 76 election polling booths as a number of the booths were coming to the end of their useful life. The purchase was for a new type of more portable booth;
- Paragraph 8.9 on page 116 related to proposed changes to treasury investments and advised that there was a slightly higher forecast for the end of the year;
- The investment limit for Local Authorities would be increased from £3m per Authority to £5m;
- The amount that can be invested in Property Funds would be reduced to £2m;
- In a meeting with the Council's Treasury Advisors, they suggested that investing in UK multi-asset funds would be a good long-term investment. This is proposed to be added to the Strategy with a limit of £2m.

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NB: The report considered by Finance, Audit and Risk Committee at the meeting held on 18 January 2021 can be viewed at Minute 62 here:

<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=146&MId=2456&Ver=4>