

7g REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 8 MARCH 2021 - THIRD QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2020/21

NB: To be considered with Item 18

RECOMMENDED TO CABINET:

- (1) That the forecast expenditure of £2.354million in 2020/21 on the capital programme, paragraph 8.3 refers, be noted;
- (2) That the adjustments to the capital programme for 2020/21 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2021/22 by £1.102million, be approved;
- (3) That the position of the availability of capital resources, as detailed in table 3 paragraph 8.6 and the requirement to keep the capital programme under review for affordability, be noted;
- (4) That the £0.050million budget to refurbish the Gym Floor at the North Herts Leisure Centre be reprofiled into 2020/21, be approved. (The budget has been approved to spend in 2021/22 but with the Leisure Centre closed due to Covid-19 there's an opportunity to bring this work forward and avoid closing the gym once Covid-19 restrictions have been lifted).

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.

The Service Director – Resources presented the report entitled Third Quarter Investment Strategy (Capital And Treasury) Review 2020/21, including:

- There was a reasonable amount of capital slippage, as detailed at Table 2 on page 171 within the report;
- The approved investment limits within the Investment Strategy were breached during the quarter ended 31 December 2020. The limit on investments placed with Building Societies was exceeded by £2.0 million for 19 days in October. Measures had been put in place to ensure limits were not exceeded again;
- Interest rates continued to be very low;
- The DMO was the most secure place to hold money, but at the time of the investment detailed in the report was paying a -0.01% Interest Rate.

Councillor Michael Weeks attempted to ask a question but lost connection mid-flow.

NB: Councillor Michael Weeks lost connection to the meeting at 21:43. Councillor Weeks did not re-join the meeting. The meeting remained quorate.

There were no further questions raised therefore, Councillor Kate Aspinwall proposed and Councillor Sam North seconded the recommendations and it was:

RECOMMENDED TO CABINET:

- (1) That the forecast expenditure of £2.354million in 2020/21 on the capital programme, paragraph 8.3 refers, be noted;
- (2) That the adjustments to the capital programme for 2020/21 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2021/22 by £1.102million, be approved;
- (3) That the position of the availability of capital resources, as detailed in table 3 paragraph 8.6 and the requirement to keep the capital programme under review for affordability, be noted;
- (4) That the £0.050million budget to refurbish the Gym Floor at the North Herts Leisure Centre be reprofiled into 2020/21, be approved. (The budget has been approved to spend in 2021/22 but with the Leisure Centre closed due to Covid-19 there's an opportunity to bring this work forward and avoid closing the gym once Covid-19 restrictions have been lifted).

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.

NB: The report considered by Finance, Audit and Risk Committee at the meeting held on 8 March 2021 can be viewed here:

<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=146&MId=2457&Ver=4>