

7d REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 23 JUNE 2021 – INVESTMENT STRATEGY END OF YEAR

RECOMMENDED TO CABINET:

- (1) That the expenditure of £1.883million in 2020/21 on the capital programme, paragraph 8.3 refers, and in particular the changes detailed in table 3 which resulted in a net increase on the working estimate of £0.001million, 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 2021/22 by £0.522million (£0.527million re-profiled from 2020/21 and £0.005million from 2021/22 re-profiled into 2020/21), be approved;
- (3) That the position of the availability of capital resources, as detailed in table 4 paragraph 8.8 and the requirement to keep the capital programme under review for affordability, be noted;
- (4) That the application of £1.224million of capital receipts towards the 2020/21 capital programme and the drawdown of £0.417million from set aside receipts, paragraph 8.8 refers, be approved;
- (5) That the position of Treasury Management activity as at the end of March 2021, be noted;

Cabinet recommends to Council:

- (1) That the report entitled Investment Strategy (Capital and Treasury) End Of Year Review 2020/21, be noted;
- (2) That the actual 2020/21 prudential and treasury indicators be approved; and
- (3) That the annual Treasury Report for 2020/21, 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.

The Service Director – Resources drew Members' attention to the following items in the report:

- Table 1- Current Capital Estimates;
- Table 2 which listed the schemes in the 2020/21 Capital Programme that would commence or continue in 2021/22;

- The Disabled Facilities Grants funding came from amounts set aside from previous underspends against the grant. The level of overspend appeared to be a contravention of financial regulations. However, the level of overspend should be viewed in the context of the overall funding available and the fact that funding is received directly by Herts Home Improvement Agency (HCC) on NHDC's behalf;
- Capital schemes that have been completed during 2020/21 as detailed at paragraph 8.7;
- Table 4 - Funding the Capital Programme detailed how the Council would fund the 2020/21 capital programme. Most funding would come from capital receipts and s106 receipts;
- The Council generated £0.184M of interest during 2020/21; and
- To try and limit the reduction of investment income from short fixed term investments in 2021/22, the Council will seek to invest in Property Funds and Multi Asset Income Funds.

The following Member asked questions:

- Councillor Terry Hone.

In response, the Service Director – Resources advised that

- There was nothing in the capital programme that needed writing off;
- Overseas investment was allowed. However, there had not been any owing to the lack of opportunity and availability;
- In terms of PWLB, £405,000 remained outstanding.

It was proposed and seconded and upon being put to the vote, it was:

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