

9B. REFERRAL FROM CABINET: 21 DECEMBER 2021 – SECOND QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2021-22

RECOMMEND TO COUNCIL: That Council note the position of Treasury Management activity as at the end of September 2021.

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 Executive Member for Finance and IT presented the report entitled Second Quarter Investment Strategy (Capital and Treasury) Review 2021-22, along with referral 7c from Finance, Audit and Risk Committee and drew attention to points including:

- Table 3, paragraph 8.5 detailed the capital spend removed from the Capital Programme relating to the property development strategy providing housing at market rents.
- This does not mean no opportunities will be explored in the future, but that none are in the pipeline at this stage.
- Investment returns were still low and there was a high balance of government money held, which would need to be paid back.
- Bank and building societies are generally at capacity and the excess balances are placed with the DMO, sometimes requiring investments at negative interest rates.
- Bank of England base rate has been raised to 0.25% and this may have some positive effect on future investments.

Councillor Ian Albert proposed and Councillor Judi Billing seconded and, following a vote, it was:

RESOLVED:

- (1) That Cabinet noted the forecast expenditure of £3.045million in 2021/22 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approved the adjustments to the capital programme for 2021/22 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, decreasing the estimated spend in 2022/23 by £2.661million.
- (3) That Cabinet noted 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.

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[Agenda for Cabinet on Tuesday, 21st December, 2021, 7.30 pm - North Hertfordshire District Council \(north-herts.gov.uk\)](#)