

REFERRAL FROM FINANCE, ADUIT AND RISK COMMITTEE: REVENUE BUDGET 2022-2023

RECOMMENDED TO CABINET:

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

REASON FOR RECOMMENDATIONS:

- (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 Department of Levelling Up, Housing and Communities (DLUHC) 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:

- Paragraph 5.1 details the minor changes made to the capital items since the budget workshops;
- The two changes to those capital items are an addition of an item in relation to building a new mausoleum at the Wilbury Hill site and capitalising bin purchases;
- Paragraph 8.7 highlights that the Council will have a need to borrow based on forecasts in 2026/27 to fund the capital programme;
- The new Prudential Code is prompting Local Authorities towards internal borrowing, borrowing against revenue reserves;
- Paragraph 8.9 has a proposed change to the Investment Strategy, in how the Council invests its surplus cash.
- Paragraph 8.9 also proposes to change the institution minimum credit rating for non-UK investments from AA- to A+;
- Paragraph 8.10 highlights that the Commercial Team are still looking at some investment options that have not been outlined in the Investment Strategy;

The following Members asked questions:

- Councillor Terry Hone

In response to questions asked, the Service Director – Resources advised:

- The bins the Council are not capitalising are the brown bins on the basis that the residents, in some cases, will have paid for those bins and they are their assets rather than the Council's. Some trade waste bins are also considered the customer's. The bins the Council feel they own are being capitalised.

- The Waste Facility mentioned on P. 15 Appendix A is a joint venture with Hertfordshire County Council. The values included are an estimation of NHC's share and not the overall total.

Following a vote, it was:

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The reports considered by the Committee can be found at Item 8 here: [Agenda for Finance, Audit and Risk Committee on Monday, 17th January, 2022, 7.30 pm - North Hertfordshire District Council \(north-herts.gov.uk\)](#)