

**6f REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 07 DECEMBER 2022
– SECOND QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY)
2022/23**

RECOMMENDED TO CABINET: That Cabinet:

(1) Note the forecast expenditure of £9.815M in 2022/23 on the capital programme, paragraph 8.3 refers.

(2) Approves the adjustments to the capital programme for 2022/23 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the estimated spend in 2023/24 by £0.861M and £2.0M in 2024/25

(3) Notes 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.

(4) Recommends to Council that it notes the position of Treasury Management activity as at the end of September 2022.

REASONS FOR DECISION:

(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.

Audio Recording: 1 hour 16 minutes 40 seconds

The Service Director – Resources presented the report entitled Second Quarter Investment Strategy (Capital and Treasury) Review 2022/23 and highlighted the following points:

- 8.4 Table 2 details the proposals around Capital Schemes that will be delayed in to 2023/24 and onwards;
- 8.5 Table 3 focuses on changes to the overall costs of schemes in 2022/23. The Environmental Improvements to Leisure Centres have seen a large increase in costs affecting the viability of some of those measures;
- Due to the slippage of that capital there is more money to invest; interest rates are also increasing, which is demonstrated in the Treasury position on paragraph 8.9 onwards;
- 8.12 & 8.13 detail where the Council is investing its surplus cash. Some banks and building societies that are paying higher rates on average than the Debt Management Office (Government) so tending to use those up to the Investment Strategy limits, then using DMO.

Councillor Phil Weeder proposed and Councillor Chris Hinchliff seconded and, following a vote it was:

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The reports and papers associated with this item can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 7th December, 2022, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)