

**6b REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 8 MARCH 2023 – THIRD QUARTER 2022/23 INVESTMENT STRATEGY (CAPITAL AND TREASURY)**

***RECOMMENDED TO CABINET:***

- 2.1 That Cabinet notes the forecast expenditure of £8.370M in 2022/23 on the capital programme, paragraph 8.3 refers.
- 2.2 That Cabinet 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 £1.554M.
- 2.3 That Cabinet 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.
- 2.4 Cabinet is asked to note the position of Treasury Management activity as at the end of December 2022.

***REASONS FOR DECISIONS:***

- 3.1 Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.
- 3.2 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 2022/23 Investment Strategy (Capital and Treasury) and advised:

- This report was a combination of the capital position and Treasury position for the year.
- Capital position was covered in the first half of Section 8 and Table 2.
- Table 3 covered the use of Section 106 money and the North Hertfordshire Museum platform lift.
- In relation to Treasury position, more interest was being generated on treasury investments.
- In terms of splits in investments, there was a high proportion of the Council's money with governments.
- The DMO were paying good interest returns in general and provide flexibility over investment periods.
- As there was an unlimited capacity to invest in government under the Treasury Strategy, the DMO would continue to be used.
- The Council were looking to maintain a spread of investments.
- Towards the end of the year, the Council were looking to make sure there were a spread of maturity dates and investments as interest rates would start to move down again.
- The table in Section 8.13 detailed all Investments at the end of the Third Quarter and the returns.

In response to the question from Councillor Sean Nolan, the Service Director – Resources advised:

- It was common for local authorities to borrow and invest money from each other.

- As they were paying reasonable rates, it was likely that there would be more local authorities that the Council would lend to in the next quarter.

Councillor Terry Tyler proposed, Councillor Sean Nolan seconded and after a vote, it was:

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**REASONS FOR DECISION:**

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*The report considered by Finance, Audit and Risk Committee at the meeting held on 8 March 2023 can be viewed at Minute 71 here:*

[Agenda for Finance, Audit and Risk Committee on Wednesday, 8th March, 2023, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)