

Item No	Referred from:	CABINET
6C	Date:	27 JUNE 2023
	Title of item:	INVESTMENT STRATEGY (CAPITAL AND TREASURY) END OF YEAR REVIEW 2022/23
To be considered alongside agenda item:		Referral Only

The report considered by Cabinet at the meeting held on 27 June 2023 can be viewed here: [Agenda for Cabinet on Tuesday, 27th June, 2023, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](https://www.north-herts.gov.uk/agenda-for-cabinet-on-tuesday-27th-june-2023-730pm)

RECOMMENDED TO COUNCIL:

- (1) Cabinet was asked to recommend this report to Council and ask Council to:
- Approve the actual 2022/23 prudential and treasury indicators.
 - Note the annual Treasury Report for 2022/23.

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 – 1:50:43

Councillor Sean Nolan, Chair of the Finance, Audit and Risk Committee presented the referral and advised:

- Discussion centred around the positive and negative effects of interest rates and inflation on the Council and its residents.
- There were questions around Property Improvements, such as the project at the Royston Leisure Centre.
- There were comments surrounding the balance of cost against return, the role of the Council and risks that should be considered.

Councillor Ian Albert presented the report and advised:

- The report set out the position on Capital Budgets for the year up to 31 March 2023 and the Treasury Investment returns.
- Tables 2 and 3 set out the changes to the forecast spend during the final quarter, and paragraph 8.6 detailed the completed Capital Schemes.
- Paragraph 8.10 onwards, confirmed that the Council complied with the Investment Strategy during 2022/23 and its position on Investment Returns.

In response to the question from Councillor Ian Albert, the Service Director – Resources confirmed that recommendation 2.6 covered the prudential and treasury indicators for the year 2022/23.

Councillor Ian Albert proposed and Councillor Alistair Willoughby seconded, and following a vote, it was:

RESOLVED:

- (1) That Cabinet noted expenditure of £6.923million in 2022/23 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approved the adjustments to the capital programme for 2023/24 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in by £1.222million.
- (3) That Cabinet noted the position of the availability of capital resources, as detailed in table 4 paragraph 8.7 and the requirement to keep the capital programme under review for affordability.
- (4) That Cabinet approved the application of £6.300million of capital receipts/set aside towards the 2022/23 capital programme, paragraph 8.7 refers.
- (5) Cabinet was asked to note the position of Treasury Management activity as at the end of March 2023.

RECOMMENDED TO COUNCIL:

- (6) Cabinet was asked to recommend this report to Council and ask Council to:
 - Approve the actual 2022/23 prudential and treasury indicators.
 - Note the annual Treasury Report for 2022/23.

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.