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| Item No | Referred from: | Finance, Audit and Risk Committee |
| 6B | Date: | 13 September 2023 |
| | Title of item: | First Quarter Investment Strategy (Capital and Treasury) Review 2023-24 |
| To be considered alongside agenda item: | | Agenda item 13 |

The report considered by Finance Audit and Risk Committee at the meeting held on 13 September 2023 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 13th September, 2023, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

RECOMMENDATIONS TO CABINET:

- (1) That Cabinet notes the forecast expenditure of £10.438M in 2023/24 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approves the adjustments to the capital programme for 2023/24 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the overall estimated spend in 2024/25 and beyond by £1.271M.
- (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.
- (4) That Cabinet is asked to note the position of Treasury Management activity as at the end of June 2023.

REASONS FOR RECOMMENDATIONS:

- (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 10 minutes 8 seconds

The Service Director – Resources presented the report entitled 'First Quarter Investment Strategy (Capital and Treasury) Review 2023-24 and highlighted:

- That the first section of the report covered the Councils forecast Capital spend for 2023-24
- The second section of the report related to the Councils treasury position including cashflow, investments and loans.
- Table 2 of the report showed the scheme timetable revision, with projects that will either now start or continue into the financial year 2024-25.
- Table 3 of the report highlighted the Changes to Capital Schemes Commencing in 2023-24, with a large amount of Section 106 money to be allocated to social housing. The report

proposes that this money be ringfenced for housing on the Foundation House site in Letchworth Garden City.

- The Council had been successful in gaining funding for a Heat Decarbonisation Plan for Leisure centres, the funding would be used to make a bid for Public Sector Decarbonisation Funds.
- Should the bid be successful there would be a move away from gas boilers and an investment in heat decarbonisations projects, if unsuccessful the capital funding would still be used for Solar PV and Solar Thermal projects.
- Table 8.11 of the report showed the Councils investments by categories with a breakdown of investments at 8.12 of the report, which were all providing interest of more than 4%.
- That the Council had no current borrowing and longer term projections are that interest rates will settle at 2.5% or lower.
- The Council had complied to the Investment Strategy Policy.

In response to a question from Councillor Sean Nolan, the Service Director – Resources stated that the cost of the Public Sector Decarbonisation Fund bid had mainly been financed through a fund from the Greater South East Net Zero Fund, therefore the costs to the Council were less than £10K. The bid would identify projects that would help the Council to meet net zero, and therefore the project costs were worthwhile.

Councillor Mandi Tandi proposed, and Councillor Tasmin Thomas seconded, and following a vote it was:

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