

Item No	Referred from:	Cabinet
8B	Date:	25 June 2024
	Title of item:	Investment Strategy (Capital and Treasury) End of Year Review 2023/2024
To be considered alongside agenda item:		Agenda Item 13

The report considered by Cabinet at the meeting held on 25 June 2024 can be viewed here: [Agenda for Cabinet on Tuesday, 25th June, 2024, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](https://www.north-herts.gov.uk/agenda-for-cabinet-on-tuesday-25th-june-2024-7-30-pm)

RECOMMENDED TO COUNCIL:

- (1) To approve the actual 2023/24 prudential and treasury indicators.
- (2) To note the annual Treasury Report for 2023/24.
- (3) To approve a change to the Investment Strategy allowing investments to be placed on Lloyds Call Account so the combined total of Current Account and Call Account is up to £5M.

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.

Audio recording – 21 minutes 52 seconds

The Chair invited Councillor Sean Nolan, as Chair of the Finance, Audit and Risk Committee, to present the referral on this item. Councillor Nolan advised that there had been general discussion around:

- Helping the new Members of the Committee to understand the financial situation of the Council over the last couple of years.
- The new Lloyds bank Call Account which offered a higher interest rate of 5% for savings and which would help to support the finances of the Council going forward.
- That higher interest rates would not last much longer and how the capital reserves were disappearing, so extra borrowing would need to be considered in the future.

Councillor Ian Albert, as Executive Member for Finance and IT, presented the report entitled 'Investment Strategy (Capital and Treasury) End of Year Review 2023/24' and advised that:

- The first part of the report related to the capital spend and the second part detailed how surplus cash had been invested in line with the Investment Strategy.
- The changes in the last quarter and the reasons for these changes were detailed in Tables 2 and 3.

- Explanation of how the capital programme was funded could be found in Table 4.
- The revenue costs of capital would put a strain on the revenue budget in the coming years.
- There would be a full review of capital spend to make sure it is achievable and deliverable within the 2025/26 budget setting process.
- The Council had complied with all legislative and regulatory requirements throughout the year.
- Most investments were Local Authority loans and building society loans and the Investment Strategy would continue to be studied throughout the year.

Councillor Ian Albert proposed and Councillor Mick Debenham seconded and, following a vote, it was:

RESOLVED: That Cabinet:

- (1) Noted expenditure of £2.409million in 2023/24 on the capital programme, paragraph 8.3 refers.
- (2) Approved the adjustments to the capital programme for 2024/25 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend by £2.655million and £0.193million in 2025/26.
- (3) 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) Approved the application of £1.313million of capital receipts/set aside towards the 2023/24 capital programme, paragraph 8.7 refers.
- (5) Noted the position of Treasury Management activity as at the end of March 2024.

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