

Item No	Referred from:	Cabinet
6D	Date:	24 June 2025
	Title of item:	Investment Strategy (Capital and Treasury) End of Year Review 2024/25
To be considered alongside agenda item:		Agenda Item 11

The report considered by Cabinet at the meeting held on 24 June 2025 can be viewed here: [Agenda for Cabinet on Tuesday, 24th June, 2025, 7.30 pm | North Herts Council](#)

RECOMMENDED TO COUNCIL: That it:

- (1) Approves the actual 2024/25 prudential and treasury indicators as detailed in Appendix B.
- (2) Notes the annual Treasury Management Review for 2024/25 (Appendix B).

REASONS FOR RECOMMENDATION:

- (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 – 50 minutes and 9 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 discussions around:

- The number of adjustments made in the Capital Programme which had been driven by spend.
- The fact that reductions in interest rates had not caused a negative impact on investments and income had remained above expected levels.
- Noticing how the Council was moving closer to a position where it would need to borrow to fund the Capital Programme and the decisions that would need to be made.
- How any future external borrowing would produce increased costs and that this should be considered now to ensure there was a clear view of this going forward.

Councillor Ian Albert, as the Executive Member for Resources, presented the report entitled 'Investment Strategy (Capital and Treasury) End of Year Review 2024/25' and advised that:

- Nearly £3 million of interest from investments had been generated during the year as detailed in the Executive Summary of the report, but high inflation would have affected costs.
- The Council was in a good strong financial position going forward.

- A detailed review of the Capital Programme had been carried out by Executive Members earlier in the year and this would be carried out again later in the year as the Council moved towards the budget setting process.
- Capital schemes which had not been completed in 2024/25 and would move to 2025/26 were detailed in Table 2.
- Details of significant variances for the completed schemes were highlighted in Table 3.
- Details of completed schemes were set out in paragraph 8.6 of the report.
- The Council would begin to look to borrowing internally in this financial year.
- The treasury and prudential indicators in Appendix B were being referred to Full Council for approval.
- A minor breach of investment limits for one day due had occurred due to absence of a member of staff as set out in paragraph 8.10 of the report. The Council was looking into ways to ensure this situation would not happen again.

The Chair reminded Members that the figures in the Cabinet recommendations were correct and had been updated since the referral from the Finance, Audit and Risk Committee.

In response to a question from Councillor Val Bryant, the Director – Resources advised that Jackmans Community Centre was one of the two community centres requiring flat roof safety works, as detailed on page 153 of the report. The Director - Resources advised Members that he would inform them of the name of the second community centre following the meeting.

Councillor Ian Albert proposed as amended and Councillor Amy Allen seconded and, following a vote, it was:

RESOLVED: That Cabinet:

- (1) Noted expenditure of £11.348million in 2024/25 on the capital programme, paragraph 8.3 refers.
- (2) Approved the adjustments to the capital programme for 2025/26 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend by £5.204million.
- (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 £3.712million of capital receipts/set aside towards the 2024/25 capital programme, paragraph 8.7 refers.
- (5) Noted the position of Treasury Management activity as at the end of March 2025.

RECOMMENDED TO COUNCIL: That it:

- (1) Approves the actual 2024/25 prudential and treasury indicators as detailed in Appendix B.
- (2) Notes the annual Treasury Management Review for 2024/25 (Appendix B).

REASONS FOR RECOMMENDATION:

- (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.