

COUNCIL
24 April 2024
COMMITTEE RECOMMENDATIONS

Recommendations to Council made at the meeting of the Audit Committee held on 6 December 2023

Capital Strategy 2024/25 incorporating Investment and Treasury Management Strategy

The report to the Audit Committee combined an overview of how capital expenditure, capital financing, treasury and other investment activity contribute to the provision of local public services, how the associated risks are managed and the implications for future financial sustainability.

The strategies set limits and indicators that embody the risk appetite that the Council believes to be prudent. The strategies are set against the Council's own mid-term financial strategy, the context of the UK economy and projected interest rates.

Treasury investment criteria and limits which are unchanged except for the limits for long term investments that have been increased by £4m to give more leeway for medium term investing. This was detailed in Appendix B to the Audit Committee report.

The investment strategy in paragraphs 4.11 to 4.18 and appendix C, of the Audit Committee report, pulled together information on service loans and commercial property to demonstrate the Council's risk management approach in that area. The overall strategy is unchanged. The commercial property portfolio is projected to maintain income levels but risks to income persist especially in the retail part of the portfolio.

RECOMMENDED TO COUNCIL:

- (i) To approve the updated Capital Strategy that will accompany the 2024/25 budget to Council.
- (ii) To approve the Treasury Management Strategy for 2024/25 and the associated limits and specific indicators included in section 4 and appendix B of the report.
- (iii) To approve the Investment Strategy for 2024/25 and the associated limits and specific indicators included in section 4 and appendix C of the report.

REASONS:

- i) The Council is required to have regard to the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice and Prudential Code for Capital Finance that require the Council to approve a Capital Strategy, Investment Strategy and Treasury Management Strategy before the start of each financial year.
- ii) The Department for Levelling Up, Housing and Communities (DLUHC) issued revised guidance on local authority investments in 2018 that the Council is required to have regard to.