

COUNCIL
9 February 2022
COMMITTEE RECOMMENDATIONS

Details of recommendation to Council made at the Audit Committee on 1 December

Capital Strategy 2022/23 incorporating Investment and Treasury Management Strategy

The Committee report gave an overview of how capital expenditure, capital financing, treasury and other investment activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. The strategies are set against the mid-term financial strategy, the context of the UK economy and projected interest rates.

The report sets treasury investment criteria and limits, which are largely unchanged apart from changes in pooled funds limits, an interest rate sensitivity indicator and long-term investment limits. These changes are detailed in the report.

The Treasury Management Strategy covers the aspects of investments that this Committee has historically considered. It covers management of the Council's cash flows, borrowing and investments, and the associated risks. The Investment Strategy covers investments held for service purposes or for commercial yield.

RESOLVED

- i) That the Audit Committee approve this Capital Strategy as an appropriate overarching strategy for the Council while leaving the full Council to approve the updated Capital Strategy that will accompany the 2022/23 budget to Council.

RECOMMENDED TO COUNCIL

- i) To approve the Treasury Management Strategy for 2022/23 and the associated limits and specific indicators included in section 4 and appendix B of the report to Audit Committee.
- ii) To approve the Investment Strategy for 2022/23 and the associated limits and specific indicators included in section 5 and appendix C of the report to Audit Committee.

REASON

- 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 2017 Edition (the CIPFA Code) and Prudential Code which requires 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 2017 that the Council is required to have regard to.