

**REPORT TO:** CABINET

**DATE:** 21 JANUARY 2021

**TITLE:** CAPITAL AND TREASURY REPORT 2021- 22

**PORTFOLIO HOLDER:** COUNCILLOR MIKE DANVERS, PORTFOLIO HOLDER FOR RESOURCES

**LEAD OFFICERS:** SIMON FREEMAN, DEPUTY TO THE CHIEF EXECUTIVE AND HEAD OF FINANCE AND PROPERTY SERVICES (01279) 446228

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**This is a Key Decision**

**It is on the Forward Plan as Decision Number I011383**

**The decision is not subject to Call-in Procedures for the following reasons:**

The decision stands as a recommendation to Full Council

**This decision will affect no ward specifically.**

**RECOMMENDED** that Cabinet recommends to Full Council that:

**A** The following Capital and Treasury Reports be approved:

- i) The Capital Strategy Report (attached as Appendix A to the report).
- ii) The Capital Programme Strategy Statement 2021/22 (attached as Appendix B to the report).
- iii) The Investment Strategy Report 2021/22 (attached as Appendix D to the report).
- iv) The Minimum Revenue Provision Statement 2021/22 (attached as Appendix E to the report).

**B** The proposed revised Treasury Management Strategy Statement 2021/22 (attached as Appendix C to the report) be approved for implementation with effect from 1 April 2021.

## **REASON FOR DECISION**

- A** The Capital Strategy Report 2021/22 (attached as Appendix A to the report) covers the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code 2017, including the prudential indicators. The report should be approved by Full Council before the start of the new financial year.
- B** The Capital Programme Strategy Statement 2021/22 (attached as Appendix B to the report) is provided within this report to provide context for capital investment explained elsewhere. Specifically, for 2021/21, it sets out the Council's programme for building council homes.
- C** The Treasury Management Strategy Statement 2021/22 (attached as Appendix C to the report) covers the requirements of the CIPFA Treasury Management Code of Practice 2017, including the treasury management indicators. .
- D** The Investment Strategy Report 2021/22 (attached as Appendix D to the report) covers the requirements of the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance 2018, including the investment indicators.
- E** The Minimum Revenue Provision Statement 2021/22 (attached as Appendix E to the report) covers the requirements of the MHCLG Guidance on Minimum Revenue Provision.

## **BACKGROUND**

1. This report brings together a number of documents in order to comply with new Government (MHCLG) and accountancy professional (CIPFA) guidance.
2. One of the new requirements is the submission of an overarching document, a Capital Strategy Statement, which sets out the Council's longer term plan for capital expenditure, and the way in which it is to be funded. The approval of the Strategy (as set out in Appendix A to the report) is a requirement of Council.
3. To provide further context a medium term strategy for the Capital Programme 2019/20 – 2024/25 is given (as set out in Appendix B to the report) allowing a separate report to this meeting to concentrate on approval of the current and immediate forthcoming year: 'Capital Programmes 2019/20-2020/21'.
4. At the heart of this document are statements governing treasury management, now split into three separate documents (as set out in appendices C, D and E).
5. Treasury management is defined as "the management of the Council's investments and cash flows, its banking, money market and capital market transactions: the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks."

6. The primary requirements of the current guidance are as follows:
- a) Creation and maintenance of a Treasury Management Policy Statement
  - b) Creation and maintenance of Treasury Management Practices (TMP)
  - c) Receipt of an annual Treasury Management Strategy Statement (TMSS)
  - d) Presentation of a mid-year review of the TMSS and an annual report (stewardship report) to Full Council
  - e) Delegation by the Council for responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions
  - f) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For the Council the current TMSS specifies the responsibility for the delegated scrutiny role is delegated to the Cabinet Overview Working Group, as well as to the Audit and Standards Committee as may be required
  - g) Submission of an Investment Strategy (as set out in Appendix D to the report)
  - h) Submission of a Minimum Revenue Provision Statement (as set out in Appendix E to the report).

## **ISSUES/PROPOSALS**

- 7. All reports have been prepared in compliance with respective guidance.
- 8. Members are invited to refer/approve these documents as appropriate.

## **IMPLICATIONS**

### **Environment & Planning (Includes Sustainability)**

None specific.

**Author: Andrew Bramidge, Head of Environment & Planning**

### **Finance & Property (Includes ICT)**

Any specific implications are set out within the report and supporting appendices. The strategies are key documents underpinning key aspects of financial management across the Council which enable sound financial management to be applied and for resources and assets to be protected.

**Author: Simon Freeman, Deputy to the Chief Executive and Head of Finance and Property Services**

**Housing**

None specific.

**Author: Andrew Murray, Head of Housing**

**Community Wellbeing (Includes Equalities and Social Inclusion)**

None specific.

**Author: Jane Greer, Head of Community Wellbeing**

**Governance (Includes HR)**

None specific.

**Author: Simon Hill, Head of Governance**

**Appendices**

Appendix A – Capital Strategy Report

Appendix B – Capital Programme Strategy Statement 2021/22

Appendix C – The Treasury Management Strategy Statement 2021/22

Appendix D – The Investment Strategy Report 2021/22

Appendix E – The Minimum Revenue Provision Statement 2021/22

**Background Papers**

None.

**Glossary of terms/abbreviations used**

See Appendix C, Annex E for glossary of terms.