

REPORT TO: CABINET

DATE: 27 JANUARY 2022

TITLE: CAPITAL AND TREASURY REPORT 2022- 23

PORTFOLIO HOLDER: COUNCILLOR JAMES LEPPARD, PORTFOLIO HOLDER FOR FINANCE

LEAD OFFICERS: SIMON FREEMAN, DEPUTY TO THE CHIEF EXECUTIVE AND DIRECTOR OF FINANCE (01279) 446228

SENIOR MANAGEMENT BOARD (01279) 446004

CONTRIBUTING OFFICER: MATHEW CROSBY, PRINCIPAL FINANCE MANAGER (INTERIM)(01279) 446448

This is a Key Decision

It is on the Forward Plan as Decision Number I012624

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 Investment Strategy Report 2022/23 (attached as Appendix D to the report).
 - iii) The Minimum Revenue Provision Statement 2022/23 (attached as Appendix E to the report).
- B** The proposed revised Treasury Management Strategy Statement 2022/23 (attached as Appendix C to the report) be approved for implementation with effect from 1 April 2022.

REASON FOR DECISION

- A** The Capital Strategy Report 2022/23 (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 Treasury Management Strategy Statement 2022/23 (Appendix B) covers the requirements of the CIPFA Treasury Management Code of Practice 2017, including the treasury management indicators.
- C** The Investment Strategy Report 2022/23 (Appendix C) covers the requirements of the Department for Levelling Up, Housing and Communities (DLUHC) (formerly that Ministry of Housing, Communities and Local Government or MHCLG) Investment Guidance 2018, including the investment indicators.
- D** The Minimum Revenue Provision Statement 2022/23 (Appendix D) covers the requirements DLUHC Guidance on Minimum Revenue Provision.

BACKGROUND

1. This report brings together a number of documents in order to comply with new Government and accountancy professional (CIPFA) guidance.
2. The Council is required to produce 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. A medium term strategy for the Capital Programme 2022/23 – 2024/25 is given in Appendix B A separate report to this meeting focusses on approval of the current and immediate forthcoming year: 'Capital Programmes 2022/23-2024/25'.
4. At the heart of this document are statements governing treasury management, now split into three separate documents (as set out in appendices B, C and D).
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 Policy Development 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 C to the report)
- h) Submission of a Minimum Revenue Provision Statement (as set out in Appendix D 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

Strategic Growth and Regeneration

None specific.

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance

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 Director of Finance

Housing

None specific.

Author: Andrew Murray, Director of Housing

Communities and Environment

None specific.

Author: Jane Greer, Director of Communities and Environment

Governance and Corporate Services

None specific.

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix A – Capital Strategy Report

Appendix B – The Treasury Management Strategy Statement 2022/23

Appendix C – The Investment Strategy Report 2022/23

Appendix D – The Minimum Revenue Provision Statement 2022/23

Background Papers

None.

Glossary of terms/abbreviations used

See Annex A for glossary of terms.