

CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGY 2021/22

Investment Sub Committee – 15 January 2020

Report of: Anna D’Alessandro – Chief Finance Office (Section 151)
Simon Jones – Deputy Chief Finance Officer (Deputy S151)
Alison Boote – Executive Head of Communities

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report submits the updated Capital, Investment and Treasury Management Strategy in accordance with MHCLG and CIPFA guidance to this Sub Committee for approval before going forward to full Council on 11th February 2021 for approval.

This report supports the Council’s priority of: Building a better Council/
Creating the homes, infrastructure and environment we need/ Supporting
economic recovery in Tandridge/ Becoming a greener, more sustainable District.

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Recommendation to Committee:

That the Sub Committee recommends to Council the approval of the Capital, Investment and Treasury Management Strategy

Reason for recommendation:

This report and separate document will be reviewed by this Sub Committee before being recommended to Council for approval. This is a requirement of the CIPFA 2017 Prudential and Treasury Management Codes.

1 Introduction and background

- 1.1 The Capital and Investment Strategy, the Treasury Management Strategy and the Investment Property Strategy ('Strategy') have been updated and combined and is attached as a separate document. This strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of the Council's priorities along with an explanation of how risk, security and liquidity are managed.
- 1.2 The aim of the Strategy is to provide a framework within which the Council's Capital Investment Plans will be delivered. It provides a summary of the Council's capital expenditure plans and financing along with the principles, sources of finance and governance arrangements which apply to the management of the Capital Programme
- 1.3 The Strategy also covers the Treasury Management function which main aim is to ensure that the income raised during the year is sufficient to meet expenditure plans and that the cash flow is planned, making sure that cash is available when needed. It is also key that when surplus cash is available this is invested with counterparties and in instruments commensurate with the Council's low risk appetite, whilst ensuring security and liquidity.
- 1.4 The Council's Investment Property Strategy is included within this document. This aims to provide a robust framework for the acquisition of property investments and the pursuance of redevelopment and regeneration opportunities.

Key implications

2. Comments of the Chief Finance Officer

- 2.1 The financial and risk implications are set out in detail within the attached Strategy and supporting Annexes.

3. Comments of the Head of Legal Services

- 3.1 There are no direct legal implications arising from this report. However, revised reporting is required due to revisions of the Ministry of Housing, Communities & Local Government ('MHCLG') Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

- 3.2 The primary reporting changes included the introduction of a capital strategy, to provide a longer-term focus to the capital plans and greater reporting requirements surrounding any commercial activity undertaken. As from 2019/20, all local authorities are required to prepare an additional Capital Strategy report. The guidance also includes a new requirement for Councils to prepare an Investment Strategy since 2019/20. Councils are required to prepare indicators that enable Members and the public to assess the Council's investments and the decisions taken.

4. Equality

- 4.1 The proposals within this report do not have the potential to disadvantage or discriminate against different groups with protected characteristics in the community.

5. Climate change

- 5.1 There are no significant environmental/sustainability implications associated with the report. It is however recognised that some Council investments may be in companies that are considered to have a detrimental impact on the climate, for example oil companies. The Climate Change Action Plan that is currently being draw up will have an action included to consider our current investment approach and determine if changes can or should be made.

Appendices

None

Separate Document

Capital, Investment and Treasury Management Strategy 2021/22 and supporting Annexes.

Background papers

Refer to 2021/22 Draft Budget and Medium-Term Financial Strategy to 2023/24.