

Cherwell District Council

Accounts, Audit and Risk Committee

20 January 2021

Capital, Investment and Treasury Management Strategies 2021-22

Report of the Director of Finance

This report is public

Purpose of report

To submit the draft Capital and Investment Strategy and Treasury Management Strategy for 2021-22.

1.0 Recommendations

The meeting is recommended:

- 1.1 To recommend the draft strategies for 2021-2022 to Full Council for adoption.

2.0 Introduction

- 2.1 The Capital and Investment Strategy was introduced for 2019/20, to sit alongside the Treasury Management Strategy. These strategies meet, respectively, the requirements of the 2017 Prudential Code, the 2018 MHCLG Investment Guidance and the 2017 CIPFA Treasury Management Code of Practice.

3.0 Report Details

- 3.1 The **Capital Strategy** demonstrates how the council takes capital expenditure decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. It sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 3.2 The **Investment Strategy** relates only to non-treasury management investments. The purpose of the strategy is to demonstrate how the council:
 - Makes investment decisions (governance, advice taken etc)
 - Demonstrates investments are tied to corporate objectives
 - Assesses and monitors risk
 - Assesses and monitors return
 - Ensures there is appropriate capacity, skills and culture to support its strategy

Investments which are covered by this strategy include such things as:

- Loans to third parties (e.g. subsidiaries, charities, businesses) [Service loans]
- Purchase of shares (in subsidiaries, businesses etc)
- Property

3.3 The **Treasury Management Strategy** sets out the Council's risk appetite and associated priorities in relation to security, liquidity and yield in respect of returns from various financial instruments.

4.0 Conclusion and Reasons for Recommendations

4.1 There is a requirement for full Council to approve the three strategies prior to the start of each financial year.

5.0 Consultation

5.1 None

6.0 Alternative Options and Reasons for Rejection

6.1 There are no alternative options – this is a requirement placed upon all local authorities.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from any outcome of this report. The financial implications of are incorporated into the draft budget 2021-22 and MTFs 2021-22 to 2025-26. Presentation of this report is in line with the CIPFA Code of Practice and Prudential Code

Comments checked by:

Michael Furness, Assistant Director – Finance

michael.furness@cherwell-dc.gov.uk

01295 221845

Legal Implications

7.2 There are no legal implications arising directly from any outcome of this report.

Comments checked by:

Chris Mace, Solicitor, christopher.mace@cherwell-dc.gov.uk, 01295 221808

Risk Management Implications

7.3 There are no risk management implications arising directly from any outcome of this report. Treasury management is itself the management of risk and therefore these strategies demonstrate how the council manages treasury, capital and investment risk. Risks escalated as and when necessary to the leadership risk register

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes

louise.tustian@cherwell-dc.gov.uk

01295 221786

8.0 Decision Information

Key Decision: N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

Links to all areas of Corporate Plan

Lead Councillor

None

Document Information

Appendix number and title

- Appendix 1 – Capital and Investment Strategy 2021-22
- Appendix 2 - Treasury Management Strategy 2021-22

Background papers

None

Report Author and contact details

Ian Robinson – Finance Business Partner

ian.robinson@cherwell-dc.gov.uk

01295 221762