

This report is public	
Capital, Investment and Treasury Management Strategies 2026-27	
Committee	Accounts, Audit and Risk Committee
Date of Committee	14 January 2026
Portfolio Holder presenting the report	Deputy Leader and Portfolio Holder for Finance, Property & Regeneration Councillor Lesley McLean
Date Portfolio Holder agreed report	30 December 2025
Report of	Assistant Director of Finance (S151 Officer), Michael Furness

Purpose of report

To submit the draft Capital and Investment Strategy and Treasury Management Strategy for 2026-27 for recommendation by the committee to the Executive.

1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To recommend the draft Capital and Investment Strategy for 2026-27 (Appendix 1) and draft Treasury Management Strategy for 2026-27 (Appendix 2) to Executive.

2. Executive Summary

- 2.1 The Capital and Investment Strategy and Treasury Management Strategy must be approved by Full Council annually and must satisfy the requirements of government legislation and CIPFA guidance.
- 2.2 Draft strategies are brought to the Accounts, Audit and Risk Committee for review and comment, and to be recommended to Executive.

Implications & Impact Assessments

Implications	Commentary
Finance	There are no financial implications arising directly from this report. However, the strategies lay out the council's approach to capital,

	investments and treasury management which all are vital to ensuring the council remains in a strong financial position. Joanne Kaye, Head of Finance, 24 December 2025			
Legal	The requirement for the strategy documents stems from: Section 15(1) Local Government Act 2003; Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. As a result, the Council is required to have regard to: Statutory Guidance on Local Government Investments, Statutory Guidance on Minimum Revenue Provision (MRP), CIPFA's Prudential Code and CIPFA's Treasury Management Code Shiraz Sheikh, Monitoring Officer/ AD Law & Governance, 24 December 2025			
Risk Management	It is essential that this report is considered by the Audit Committee as it demonstrates that the risk of not complying with the Council's Treasury Management Policy has been avoided. This and any other risks related to this report will be managed through the service operational risk and escalated to the leadership risk register as and when necessary. Celia Prado-Teeling, Performance Team Leader, 24 December 2025			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				N/A
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				N/A

Climate & Environmental Impact				N/A
ICT & Digital Impact				N/A
Data Impact				N/A
Procurement & subsidy				N/A
Council Priorities	N/A			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	None			

Supporting Information

3. Background

- 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. Details

- 4.1 The draft Capital and Investment Strategy is attached at Appendix 1, and the draft Treasury Management Strategy is attached at Appendix 2.
- 4.2 The key changes for the Capital and Investment Strategy 2026-27 in comparison to the strategy for 2025-26 are:
- the annual Minimum Revenue Provision statement has been expanded in line with the new statutory guidance; however, the underlying policy and methodology is unchanged. The full statement is included as Annex A of Appendix 1.
 - The operational boundary, which is the prudential indicator estimating the maximum level of external debt for the year in the most likely scenario, has been reviewed and reduced from £200m to £199m. More details of this change are included in section A6.2 of appendix 1.
- 4.3 There have been no significant policy changes to the Treasury Management Strategy. However, Council is asked to approve the Long- Term Investment Limit for 2026/27, as set out in section 1.9.5 of Appendix 2 (Table 7).

5. Alternative Options and Reasons for Rejection

- 5.1 There are no alternative options to setting a Capital and Investment Strategy and Treasury Management Strategy as these are required for all local authorities.

6 Conclusion and Reasons for Recommendations

- 6.1 The Council must establish and approve an updated Capital and Investment Strategy and Treasury Management Strategy that complies with CIPFA's revised Prudential Code for Capital Finance in Local Authorities (2021 edition) and Prudential Code Guidance Notes for Practitioners (2021 edition), CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2021 edition) and revised Statutory Guidance on Local Government Investments (Third Edition). Guidance requires the Strategy to be approved by Full Council on an annual basis and, moreover, that any mid-year material changes to the Strategy must also be subject to Full Council approval.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Capital and Investment Strategy 2026-27
Appendix 2	Treasury Management Strategy 2026-27
Background Papers	None
Reference Papers	None
Report Author	Mary Denedo, Strategic Finance Business Partner
Report Author contact details	Mary.denedo@cherwell-dc.gov.uk , 01295 227941
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Assistant Director of Finance (S151 Officer) 30 December 2025