

COUNCIL – 27TH FEBRUARY 2023

Report of the Cabinet

MEDIUM TERM FINANCIAL STRATEGY 2023-26 AND CAPITAL STRATEGY, TREASURY MANAGEMENT STRATEGY STATEMENT, ANNUAL INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION POLICY 2023/24

Purpose of Report

To set out a Medium Term Financial Strategy 2023-26 and a Capital Strategy, the Treasury Management Strategy Statement, the Annual Investment Strategy and Minimum Revenue Provision (MRP) Policy for 2023/24 for consideration and approval.

Recommendations

1. The Medium Term Financial Strategy 2023-2026 as set out at Appendix A to the report (attached as an Annex) be approved.
2. The Capital Strategy, as set out at Appendix B to the report (attached as an Annex) be approved.
3. The Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy as shown at Appendix BB to the report (attached as an Annex) be approved.
4. The Prudential and Treasury Indicators, also set out in within Appendix BB to the report (attached as an Annex) be approved.

Reasons

1. To inform members of the future financial outlook for the Council.
2. To enable the Council to comply with the statutory code of practice issued by CIPFA: 'The Prudential Code for Capital Finance in Local Authorities, 2021 Edition'.
3. To ensure that the Council's governance and management procedures for Treasury Management reflect best practice and comply with the CIPFA Treasury Management in the Public Services Code of Practice, Guidance Notes and Treasury Management Policy Statement.
4. To ensure that funding of capital expenditure is taken within the totality of the Council's financial position and that borrowing and investment is only carried out with proper regard to the Prudential Code for Capital Finance in Local Authorities.

Policy Justification and Previous Decisions

Policy justification detailed in the attached Annex.

At its meeting on 9th February 2023, the Cabinet considered a report of the Head of Finance setting out a Medium Term Financial Strategy 2023-26 and a Capital Strategy, the Treasury Management Strategy Statement, the Annual Investment Strategy and Minimum Revenue Provision (MRP) Policy for 2023/24, for recommendation to Council. A copy of that report is attached as an Annex, amended to correct errors identified at Cabinet.

The following minute extract details Cabinet's consideration of the matter:

"57. MTFS 2023-26 AND CAPITAL STRATEGY, TREASURY MANAGEMENT STRATEGY STATEMENT, MRP POLICY AND ANNUAL INVESTMENT STRATEGY 2023-24

Considered, a report of the Head of Finance setting out a Medium Term Financial Strategy 2023-26 and a Capital Strategy, Treasury Management Strategy Statement, Minimum Revenue Provision Policy and Annual Investment Strategy 2023-24, for recommendation to Council (item 8 on the agenda filed with these minutes).

The Director Finance, Governance and Contracts assisted with consideration of the report. Errors in the report were corrected:

- (i) agenda supplement page 36, second paragraph in red type, word "his" should be "this";*
- (ii) agenda supplement page 124, appendix BB6 current investments table, headings should state £'000 not £m;*
- (iii) agenda supplement page 24, Purpose of Report section, second paragraph, remove not needed final sentence.*

The Director Finance, Governance and Contracts reported that the Capital Strategy (including Treasury Management Strategy Statement) 2023-24 had been considered by Audit Committee on 31st January 2023. The Committee had no issues that it wished to be reported to Council.

RESOLVED

- 1. that the Medium Term Financial Strategy 2023-2026 as set out at Appendix A to the report be noted and **recommended to Council** for approval;*
- 2. that the Capital Strategy, as set out at Appendix B to the report be approved and **recommended to Council**;*
- 3. that the Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy as shown at Appendix BB to the report be approved and **recommended to Council**;*
- 4. that the Prudential and Treasury Indicators, also set out in within Appendix BB to the report be approved and **recommended to Council**.*

Reasons

- 1. To inform members of the future financial outlook for the Council.*

2. *To enable the Council to comply with the statutory code of practice issued by CIPFA: 'The Prudential Code for Capital Finance in Local Authorities, 2021 Edition'.*
3. *To ensure that the Council's governance and management procedures for Treasury Management reflect best practice and comply with the CIPFA Treasury Management in the Public Services Code of Practice, Guidance Notes and Treasury Management Policy Statement.*
4. *To ensure that funding of capital expenditure is taken within the totality of the Council's financial position and that borrowing and investment is only carried out with proper regard to the Prudential Code for Capital Finance in Local Authorities."*

Implementation Timetable including Future Decisions and Scrutiny

As detailed in the attached Annex.

A report of the Head of Finance on the Capital Strategy (including Treasury Management Strategy Statement) for 2023/24 was considered by the Audit Committee at its meeting on 31st January 2023 and its position reported to Cabinet on 9th February 2023 as detailed in the above minute.

Report Implications

As detailed in the attached Annex.

Key Decision: Yes

Background Papers: No additional background papers.

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