

CABINET – 14TH FEBRUARY 2019

Report of the Overview Scrutiny Group

ITEM 10 CAPITAL STRATEGY (INCLUDING THE TREASURY MANAGEMENT STRATEGY) FOR 2019-20

Purpose of Report

To consider the comments and recommendations of the Overview Scrutiny Group in relation to the Capital Strategy as well as the Treasury Management Strategy Statement together with the Annual Investment Strategy and Minimum Revenue Provision (MRP) Policy.

Recommendation of the Overview Scrutiny Group

That the Cabinet be informed that the Group supports the recommendations as set out in the report of the Head of Finance and Property Services.

Reason

Having considered the report and asked questions of the Lead Member for Finance and Property Services and the Strategic Director of Corporate Services on the matter, the Group concluded that it would be appropriate for the Cabinet to approve the recommendations set out in the report.

Meeting Discussion

Following questions from the Group, the Lead Member for Finance and Property Services and the Strategic Director of Corporate Services provided the following responses:

- (i) The Group was assured that the Council would not be “double borrowing” money. There were strict governance procedures in place to track any movement of funds and there were also strict guidelines in place to dictate where funds could be spent. The Council’s policy stated what the priorities for this year were and where money would be spent to reassure Members. The role of the Section 151 Monitoring Officer was also to safeguard against this practice.
- (ii) The need to keep residents’ money secure was echoed by the Lead Member who emphasised the paramount importance of protecting taxpayers’ money. The Council had and would continue to use outside advisors who had experience of commercial markets and property investments and who could advise the Council fully. There was also a plan to upskill officers so that they were better able to understand and advise on any investments made by the Council.

- (iii) The Council was aware of the changing nature of the investment market and was always looking at the measure in place to ensure the Council's financial position was secure. The Council were risk aware rather than risk adverse as it was accepted that some level of risk was needed to be commercially active.
- (iv) The Group was advised that the Council would consider e-commerce (distribution warehouses) investments but any such investments would need to satisfy the Council's requirement for security, return and risk. The Council was aware of the decline in the retail sector and would take advice on the type of investments which should be made. The Council had invested in property funds and engaged professional advice to advise on particular investments.

Policy Justification and Previous Decisions

Scrutiny Committee Procedure 11.12 sets out the procedure by which a report of a scrutiny committee should be considered by the Cabinet.

Implementation Timetable including Future Decisions and Scrutiny

The information on this in the Cabinet report is not affected by the recommendation of the Overview Scrutiny Group.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no further financial implications associated with the recommendation of the Overview Scrutiny Group.

Risk Management

There are no specific risks associated with the recommendation of the Overview Scrutiny Group.

Key Decision: Yes

Background Paper: Overview Scrutiny Group Minute 57 2018/19,
11th February 2019

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