

EAST HERTS COUNCIL

PERFORMANCE, AUDIT AND GOVERNANCE SCRUTINY
COMMITTEE – 22 JANUARY 2019

REPORT BY EXECUTIVE MEMBER FOR FINANCE AND SUPPORT
SERVICES

CAPITAL STRATEGY 2019 ONWARDS

WARD(S) AFFECTED: NONE

Purpose/Summary of Report

The MHCLG have revised the Investment and Minimum Revenue Provision Guidance, which includes the introduction of a capital strategy.

This report includes the first capital strategy since the revisions.

**RECOMMENDATION(S) FOR FOR PERFORMANCE, AUDIT AND
GOVERNANCE COMMITTEE: to recommend to the Executive that:**

(A)	The Capital Strategy 2019 Onwards discussed in paragraphs 2.3 is agreed for submission to Elected Members (Audit and Governance Committee, Executive and Council).

1.0 Background

1.1 Treasury management is defined as: 'The management of the Council's investments and cash flows, its banking arrangements, money market and capital transactions; the

effective control of the risks associated with these activities; and the pursuit of optimum returns consistent with the Council's risk management policy for treasury management.'

- 1.2 This activity is supported by the council's appointed independent advisors – Link Asset Services.
- 1.3 Revised reporting is required for the 2019/20 reporting cycle due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include 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 under the Localism Act 2011.
- 1.4 This report includes the first capital strategy since the revisions.

2.0 Report

- 2.4 Please refer to Capital Strategy in Essential Reference Paper 'B': Capital Strategy 2019 Onwards and note this is a live document that will continue to be updated throughout the year.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

CIPFA Code of Practice on Treasury Management (2018/19)

CIPFA Prudential Code for Capital Finance in Local Authorities (2017)

MHCLG Investment Guidance

MHCLG Minimum Revenue Provision (MRP) Guidance

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