

East Herts Council Report

Council/Executive/Committee

Executive

Date of Meeting:

21st January 2020

Report by: Councillor Geoff Williamson, Deputy Leader & Executive Member for Financial Sustainability

Report title: CAPITAL STRATEGY 2020 Onwards

Ward(s) affected: All

Summary

- The Ministry of Housing, Communities & Local Government (MHCLG) revised their Investment and Minimum Revenue Provision Guidance, in February 2018 which included the introduction of a capital strategy.
- This report presents the council's second capital strategy since the revisions.

RECOMMENDATIONS FOR EXECUTIVE:

That the Executive considers the following for recommendation to Council, that:

- (a) the Capital Strategy 2020 onwards as shown in Appendix 'A' be approved;**

1.0 Proposal(s)

- 1.1 The report includes the East Herts Capital Strategy for

2020 onwards which members of the Performance, Audit & Governance Oversight Committee are asked to consider and, with or without amendment, endorse for consideration by the Executive.

2.0 Background

- 2.1 The East Herts Council Capital Strategy provides a valuable opportunity for engagement with Full Council to ensure that overall strategy, investment ambition, risk appetite and governance procedures are fully considered by all elected Members and other Council stakeholders, through engagement with full Council.
- 2.2 The East Herts Council Capital Strategy is intended to be a strategic corporate document which will both be influenced by and in turn influence policy and decision making in respect of capital investment.
- 2.3 The Strategy will continue to develop and evolve as external influences do and will be updated as required in order that this Strategy is responsive to the challenges, opportunities, priorities and objectives that the Council must consider.

3.0 Reason(s)

- 3.1 Revised reporting is required from 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 included 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.
- 3.2 This report includes the second capital strategy since the revisions. The first version of the report was approved by members last year and no comments or

suggestions for improvement have been received from either internal or external audit.

4.0 Options

- 4.1 Update the Capital Strategy as per statutory requirements, at least once annually.
- 4.2 An alternative option would be to retain the current Capital Strategy without any revisions. This would result in the council not complying with statutory requirements.

5.0 Risks

- 5.1 Risks are discussed in detail, within the Capital Strategy, including the uncertainty around future funding, both from Government and other areas.

6.0 Implications/Consultations

- 6.1 No.

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

All financial implications are included in this report.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

All statutory requirements have been considered in preparing this report

Specific Wards

No

7.0 Background papers, appendices and other relevant material

- 7.1 Appendix A - East Herts District Council Capital Strategy 2020 Onwards

Contact Member

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