



**REPORT of
INTERIM SECTION 151 OFFICER**

**to
COUNCIL
13 FEBRUARY 2020**

**CAPITAL AND INVESTMENT STRATEGIES FOR 2020 / 21 AND MINIMUM
REVENUE STATEMENT 2020 / 21**

1. PURPOSE OF THE REPORT

- 1.1 The Council is required to approve an annual Capital Strategy and Investment Strategy before the start of the financial year to which they relate. These documents have been considered and recommended for approval by the Strategy and Resources Committee at its meeting on 29 January 2020.

2. RECOMMENDATIONS

- (i) the Capital Strategy for 2020 / 21 (**APPENDIX 1**) be approved; and
- (ii) Investment Strategy for 2020 / 21 (**APPENDIX 2**) be approved; and
- (iii) Minimum Revenue Provision Statement for 2020 / 21 (**APPENDIX 3**) be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 The Prudential Code was updated in 2017 with a requirement for a new Capital Strategy. This details the intended capital expenditure plans and funding arrangements and sets Prudential Indicators against which actual expenditure and borrowing should be monitored. The Capital Strategy for 2020 / 21 is **APPENDIX 1**.
- 3.2 The Investment Strategy is at **APPENDIX 2**.
- 3.3 The Minimum Revenue Provision is at **APPENDIX 3**.
- 3.4 The Strategies have been compiled with the advice and support of the Council's treasury advisor, Arlingclose Ltd with the latest available 'outlooks' and interest rate forecasts at the time the strategies were drafted in January 2020.

4. CONCLUSION

- 4.1 The Capital Strategy has been prepared considering the future plans of the Council, ensuring that they are affordable and prudent. It links with the Council's Investment Strategy.
- 4.2 The Annual Investment Strategy has been updated in line with statutory requirements and good practice, having regard to the Council's financial position; links to wider strategies, plans and aims and the advice of the Council's external treasury advisor.

5. IMPACT ON STRATEGIC THEMES

- 5.1 The Strategies and the Minimum Revenue Provision Statement support all three of the Council's strategic themes of Place, Community and Prosperity. There is a regulatory requirement for the Strategies and therefore the Council will be compliant in approving them before the start of the financial year on 1 April 2020.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk** – Any new investment decision will be entered with suitable due diligence to ensure that any risk is mitigated.
- (iv) **Impact on Resources (financial)** – Investment interest received is a financial resource available to support spending on service provision.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on the Environment** – None directly.

Background papers: Economic Background and Outlook and Interest Rate Forecasts provided by Arlingclose Ltd. the Council's Treasury Management Advisors.

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