Extract Minute from Governance and Standards Committee – 23 February, 2022

Annual Investment Strategies

The Group Accountant presented a summary of each of the Strategies for approval within the report.

The Members were advised that the Treasury Management Strategy had been updated with the forecast following the approval of the budget. The Officer advised that the overall strategy for investment had not changes and was the same as in previous years.

The Committee was advised that the Minimum Revenue Provision (MRP) Strategy 2022-2023 was how the authority borrow to finance capital expenditure. The methods for doing this had not changed.

The Committee was informed that the Capital Strategy was an overarching strategy for the management of the Council’s assets which was a 20 year long term plan.

The Asset Investment Strategy the Members were informed was for if the Council decided to invest in an asset for operational purposes or for use with economic development of the area in the Mansfield area.

The Commercial Property Investment Strategy was where the authority looked for investment properties. There had been no changes to the strategy. It is unlikely to be used however, the authority still have properties that were being managed and therefore this strategy was still relevant.

The Service Investment Strategy the Committee was advised was for loans to third parties like the housing company. This is not a strategy that is likely to be used in the near future. But was still relevant as there was still an outstanding loan with the housing company.

Councillor Sutcliffe asked for clarity on recommendation (i), the Member queried if the scrutiny as indicated in the recommendation for approval. The Member queried if the level of responsibility to be held by the Governance and Standards Committee had changed and would be more technical.

The Head of Finance confirmed that there would not be a change to the responsibilities required from the Members or the technical skill level required to do this.

The Head of Finance responded that generally there would Member Training on the Strategies, so that the Strategies could be reviewed in more detail. However, this had been discussed with the Chair prior to releasing the item for the Agenda and it was felt that as there were no material changes to the strategies and that there had been no new Members to the Committee that this would not be necessary this time. The only changes made had been the changes to the figures within the strategies and there had been no amendments to the Strategies themselves.

Head of Finance stated that if Members felt that they required further opportunity for scrutiny then this would be arranged.

The Chair queried the reason for the large increase in external borrowing.

The Group Accountant informed the members that this had been caused by the Capital Programme which had slipped because of Covid and was related to the HRA New Build Housing Programme.

The Head of Finance further clarified that the approval for the borrowing was already in place that this was not new borrowing, it was borrowing that had not taken place.

That reports had been presented at the Overview & Scrutiny Committee (Corporate) last week. It was reported that there had been a big slippage that had been going on for a couple of years which was related predominately to Covid related issue. There is an anticipated large carry over into the next financial year.

Councillor Sutcliffe queried if the borrowing had been related to the Bellamy Road Council estate and the Council estate that is adjacent to it.

The Officer confirmed that it was related to some of the borrowing.

The Chair asked for a Proposer on the recommendations

i) That the Governance and Standards Committee undertake the scrutiny of the following annual Strategies that the Council is required to produce under statutory guidance in relation to its investment and borrowing activities:

This was Proposed for approval by Councillor Lohan and seconded by Councillor Norman. The motion was unanimously accepted by the Committee.

The Chair proposed that the 6 Strategies for approval for recommendation to the Council be taken as one Motion.

To be recommended to Council:

ii) That the Treasury Management Strategy for the 2022/23 to 2024/25 financial year be approved, as per Appendix 1, including the Prudential Indicators which are set out within the Strategy

iii) That the Minimum Revenue Provision (MRP) Strategy for the 2022/23 financial year be approved, as per Appendix 2 and the Council adopts the Regulatory Method for Supported Borrowing (Option 1) taken out by the Council prior to 1 April 2008 and the Asset Life Method for unsupported borrowing (Option 3) taken out after 1 April 2021 (if any new borrowing is taken on by the council).

Where the Council takes on additional borrowing in order to purchase land and property assets for regeneration or housing purposes (in line with the Asset Investment Policy for non-commercial assets) or to provide a Service Investment the business case will set out whether a MRP charge is appropriate.

iv) That the Capital Strategy for the 2022/23 to 2042/43 financial year be approved, as per Appendix 3

v) That the Asset Investment Strategy for the 2022/23 financial year be approved, as per Appendix 4

vi) That the Commercial Property Investment Strategy for the 2022/23 financial year be approved, as per Appendix 5

vii) That the Service Investment Strategy for the 2022/23 financial year be approved, as per Appendix 6

The motion was proposed by Councillor Norman and seconded by Councillor Clay.

The Motion was unanimously accepted by the Committee.