

NORTH DEVON COUNCIL

COUNCIL: 21 JULY 2021

TREASURY MANAGEMENT ANNUAL REPORT 2020/21

REPORT OF THE POLICY DEVELOPMENT COMMITTEE HELD ON 15 JULY 2021

Minute 16: TREASURY MANAGEMENT ANNUAL REPORT 2020/21

The Exchequer Manager highlighted the following:

- This report provided details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved.
- The Council's Capital expenditure and financing as detailed in paragraph 4.1 of the report.
- The Council's overall borrowing need as detailed in paragraph 4.2 of the report.
- The Treasury position as at 31 March 2021 as detailed in paragraph 4.3 of the report.
- The strategy for 2020/21 as detailed in paragraph 4.4 of the report.
- The Borrowing Outturn as detailed in paragraph 4.5 of the report.
- The Investment Outturn as detailed in paragraph 4.6 of the report.

In response to questions, the Head of Resources and the Exchequer Manager advised the following:

- There was a review of margins over gilt yields for Public Works Loan Board (PWLB) rates in November 2020, which resulted in a reduction of 1% for the standard and certainty margins. However, a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets primarily for financial gain in its three year capital programme. This meant that any Council that planned to purchase assets, which would result in capital gain i.e the purchase of a commercial business might struggle to get loans from the PWLB.
- The impact of the decision meant that the Commercialisation Strategy was likely to be restricted to purchases within the district where regeneration or other factors were important considerations.
- The authorised borrowing limit was agreed at the Full Council meeting held in February of each year as part of the Treasury Management Strategy.

RESOLVED that the decisions and recommendations of the Strategy and Resources Committee be endorsed.

The Committee thanked the Exchequer Manager and his team for their continued hard work.