

NORTH DEVON COUNCIL

POLICY DEVELOPMENT COMMITTEE: 10TH FEBRUARY 2022

MINUTE EXTRACT OF STRATEGY AND RESOURCES COMMITTEE HELD ON 7TH FEBRUARY 2022 IN RESPECT OF ITEM 9 ON THE POLICY DEVELOPMENT COMMITTEE AGENDA

108. TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Treasury Management Strategy Statement for 2022/23.

The Head of Governance highlighted the following:

- Capital Prudential Indicators for 2022/23 and the impact of the capital expenditure and financing. In 2021/22, the net financing need for the year was estimated at £18.065m.
- The Council's Capital Financing Requirement was a key indicator. The projected Capital Financing Requirement (CFR) for 2024/25 was £35.4m.

In the current financial environment it was prudent to use internal borrowing from reserves and cash balances to fund the CFR to offset some of the borrowing need. A further £12m of external borrowing may be required in 2022/23 to support the approved capital programme, taking the total projected external borrowing to £22.5m for 2022/23.

- From October 2021 the Council entered a vehicle leasing programme with SFS and currently had circa £1.2m of finance leases within the CFR.
- Two key Treasury Indicators: the operational boundary and authorised borrowing limit. Borrowing interest rates as detailed on page 306 of the report.
- Investment Strategy – there were no proposed changes to the investments with investment limits as detailed in page 315 and Appendix A of the report.

In response to a question, the Head of Governance advised the following:

- Financing of the Capital Strategy was over a 10 year period. The CFR was increasing between 2021/22 and 2024/25.

RECOMMENDED that the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2022/2023, including the Treasury Management and Prudential Indicators for 2022/23 to 2024/25, be approved.