

NORTH DEVON COUNCIL

POLICY DEVELOPMENT COMMITTEE: 9TH FEBRUARY 2023

**MINUTE EXTRACT OF THE STRATEGY AND RESOURCES COMMITTEE HELD
ON 6TH FEBRUARY 2023 IN RESPECT OF ITEM 10 ON THE POLICY
DEVELOPMENT COMMITTEE AGENDA**

95 10-YEAR CAPITAL STRATEGY 2023-2033

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the 10 Year Capital Strategy for 2023 to 2033 together with Minute Extract of Strategy and Resources on 6th February 2023.

The Head of Governance outlined the Capital Strategy Years 2023/24 to 2026/27 (Medium Terms), which were detailed in paragraph 4.4 of the report.

He referred to section 4.5 of the report covering the years 2027/28 to 2032/33 and highlighted the following points:

- The CFR was generally on a downward trend from £35m in 2027/28 to £30m by 2032/33.
- External borrowing over the longer term remained at a high level, reducing from £26m to £21m over the same period, again assuming the under-borrowed position remained prudent and sustainable.
- As a result of the high borrowing, the annual borrowing cost would continue to put pressure on the Council's revenue budget each year. The projected cost of borrowing, both external and long term liabilities, was set to remain above £3m per annum over the six year forecast period.
- The forecast medium term financial strategy budget gap had been extended beyond 2028/29, just to reflect the impact of borrowing costs before any other revenue changes were considered. On this basis, the revenue budget gap for the long term remained at £3.3m.
- The strategy showed that the business as normal capital schemes such as the vehicles may present affordability challenges that Members would need to take into account as further capital schemes came forward for investment.

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