

## **NORTH DEVON COUNCIL**

### **POLICY DEVELOPMENT COMMITTEE: 16<sup>TH</sup> NOVEMBER 2023**

#### **MINUTE EXTRACT OF THE STRATEGY AND RESOURCES COMMITTEE HELD ON 6<sup>TH</sup> NOVEMBER 2023 IN RESPECT OF ITEM 8(A) ON THE POLICY DEVELOPMENT COMMITTEE AGENDA**

##### **53. MID YEAR TREASURY MANAGEMENT REPORT 2023/24**

The Committee considered a report by the Head of Governance (circulated previously) regarding the Mid-Year Treasury Management 2023/24.

The Head of Governance highlighted the following:

- The Treasury Management Strategy Statement for 2023/24 was approved at Council on 22nd February 2023.
- The underlying Treasury Management Strategy Statement approved previously required revision in light of economic and operational movements during the year. The proposed changes could be seen in section 4.1 of the report.
- The Council's forecast capital financing requirement for 2023/24 was just under £30 million.
- The capital financing requirement denoted the Council's underlying need to borrow for capital purposes. At present the Council had a projected external borrowing amount of £9 million with £3 million long term liabilities (finance leases) and £18 million from internal borrowing of cash flow funds.
- In the current economic climate internal borrowing remained the most prudent and cost effective approach by the Council.
- The forecast Capital Financing Requirement had decreased by about £3.4 million from the original budget. This was due to re-profiling of the Capital Programme with expenditure being slipped to future financial years for the projects such as Future High Streets project.
- The external Public Works Loan Board (PWLB) borrowing remained at £3 million with the current forecasted figure of £6 million additional borrowing. The exact amount would depend on any capital spend slippages and cash flow balances towards the end of the financial year end.
- Section 4.5 of the report shows the borrowing strategy in more detail.
- The use of cash flow balances for internal borrowing had reduced the borrowing costs on the interest payable budget forecast at £164,000.
- A total in excess of £400,000 interest return on the portfolio held by the Council was being forecast.

In response to a question on whether the Council was included in the 1% of authorities who had not had their accounts signed off, the Director of Resources and Deputy Chief Executive confirmed that due to resource constraints on the Auditors our accounts were due to be signed off by December 2023. This was three months

after the September deadline but compared to the wider sector North Devon Council were in a positive position as their audit work had actually commenced.

**RECOMMENDED:**

- (a) That the changes to the prudential indicators be approved; and
- (b) That the report and the treasury activity be noted.