NORTH DEVON COUNCIL

POLICY DEVELOPMENT COMMITTEE: 10TH SEPTEMBER 2020

MINUTE EXTRACT OF THE STRATEGY AND RESOURCES COMMITTEE HELD ON 1st SEPTEMBER 2020 IN RESPECT OF ITEM 9 ON THE POLICY DEVELOPMENT COMMITTEE AGENDA

176 Annual Treasury Management Report 2019/20

The Committee considered a report by the Head of Resources (circulated previously) regarding the Treasury Management Annual Report 2019/20.

The Accountancy Services Manager highlighted the following:

- This report detailed how the Council performed for the year 2019/20
- The treasury management strategy was based on the following order; 1) security of funds, 2) liquidity of funds and 3) the yield and return of investments
- With current bank rates being very low it was cheaper for us to borrow against our own funds
- The underlying need to borrow was called the Capital Financing Requirement (CFR). Table 4.2 of the report detailed the Council's actual CFR, which for 2019/20 was £4.746 million, our external borrowing was £1.250 million. We internally borrowed £3.000 million from our internal reserves and balances
- We started and ended the year with the same external borrowing figure of £1.250 million
- Table at 4.3 detailed the level of investment made, which was £17.100 million, as at 31st March 2020 this figure netted off was £15.900 million
- All investments made were short term and were for less than a year and the Council had made no material non-treasury investments in property with a view of generating an income stream
- The Investment Outturn position was shown at paragraph 4.6; and as Chief Financial Officer, Jon Triggs had confirmed that the investment activity for the year 2019/20 conformed to the approved strategy and the Council had no liquidity difficulties.

RECOMMENDED:

(a) That the annual treasury management report for 2019/20 be noted;
(b) That the actual 2019/20 prudential and treasury indicators be approved.