

# FAREHAM

## BOROUGH COUNCIL

2021/22  
Decision No.  
2287

### Record of Decision by Executive

Monday, 5 July 2021

<b>Portfolio</b>	Policy & Resources
<b>Subject:</b>	<b>Capital &amp; Treasury Management Outturn 2020/21</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priority:</b>	Dynamic, prudent and progressive Council

#### **Purpose:**

This report provides the Executive with details of the capital and treasury management outturn for 2020/21 to comply with the reporting requirements of the Code of Practice for Treasury Management. The report also seeks approval for the proposed methods of financing the General Fund capital programme.

In February 2020 the Executive approved a capital programme totalling £26,869,9000 for 2020/21. Due to the impact of the Covid-19 pandemic on the economy the programme was reviewed as part of the emergency budget set in September 2020 and reduced to £11,987,600. This was further reduced in February 2021 to £6,606,8000 as part of the Capital Strategy update for 2021/22 to reflect the continued delay of significant projects as the pandemic continued.

Actual capital expenditure on General Fund schemes in 2020/21 was £5,499,557 (£16.5 million in 2019/20) compared with the revised capital programme of £6,606,800. The overall variance was £1,107,243. A detailed analysis of the variations is given in Appendix A to this report.

Total savings from individual projects of £66,120 were achieved, additional expenditure of £90,086 was incurred and a total of £1,131,209 will be carried forward into 2021/22. Details of the various methods used to finance this expenditure are set out in this report.

Full details of Treasury Management investment and borrowing activity in 2020/21 are also set out in this report and is summarised below:

	<b>31 March 2020 Actual £'000</b>	<b>2020/21 Movement £'000</b>	<b>31 March 2021 Actual £'000</b>
Total borrowing	57,659	(1,692)	55,967
Total investments	(16,300)	(2,325)	(18,625)
<b>Net borrowing</b>	<b>41,359</b>	<b>(4,017)</b>	<b>37,342</b>

Net interest received in 2020/21 was £661,684 (£603,316 in 2019/20) and net interest paid was £1,684,440 (£1,676,656 in 2019/20).

During 2020/21, the Council complied with its legislative and regulatory requirements of the Prudential Code.

**Options Considered:**

The comments of the Policy and Resources Scrutiny Panel were taken into account in considering this item.

As recommendation.

**Decision:**

RESOLVED that the Executive:

- (a) approves the General Fund capital programme for 2020/21 to be financed as set out in this report;
- (b) agrees that the additional expenditure incurred, amounting to £90,086 be financed retrospectively from unallocated capital resources; and
- (c) notes the treasury management activity for 2020/21.

**Reason:**

To provide the Executive with details of the capital and treasury management outturn in 2020/21 and to comply with the reporting requirements of the Code of Practice for Treasury Management.

**Confirmed as a true record:**

Councillor SDT Woodward (Executive Leader)

Monday, 5 July 2021