

Treasury Management Strategy – Changes from Audit Committee Version to Final Executive / Council Version

As the treasury management strategy (TMS) is a live forward-looking document and due to the timings of the different meetings, it is common practice that there may be some changes between versions submitted for Audit Committee and Executive / Council. The following table lists the changes between the version for Audit Committee (3 February 2021) and the Final version for Executive / Council (18 February 2021).

These changes are mainly presentational, typographical or to technical definitions to try and make the strategy more understandable for the reader. Where the change will appear more than once in the document (e.g. in Appendices), this has not been shown below on the basis the change highlighted below will carry throughout the report.

Agenda Page	Area	Audit Committee Version	Final Version
Page 25	Recommendation 3 – wording of net benefit changed to net credit	3. to note the cumulative financial impact on the Council of its borrowing activities equates to a net benefit for the taxpayer per band D of £13.64 at end of 2021/22 and noting the net benefit increase to £62.86 at the end of 2023/24.	3. to note the cumulative financial impact on the Council of its borrowing activities equates to a net credit to the general fund for the taxpayer of £13.64 per band D equivalent at end of 2021/22 and noting this credit increases to £62.86 at the end of 2023/24.
Page 28	Capital Funding Table – Supporting words for Additional general fund borrowing*	* Additional general fund borrowing is currently the funding gap for years 2 and 3. Through the budget process, the aim will be to reduce to zero through seeking additional income and/or reducing expenditure.	* Additional general fund borrowing is currently the funding gap for years 2 and 3. Through the budget process, this will be to reduced to zero through using additional income (e.g. new grants or developer funding) and/or through reducing capital expenditure across the programme.
Page 30	Expand wording in 1 st line of table	General Fund – MRP Repayment and Interest	General Fund – Minimum Revenue Provision Repayment (MRP) and Interest
Page 30	Definition of capital financing requirement (CFR) and external debt.	Capital financing requirement (CFR) - It is a statutory accounting calculation that shows how much capital expenditure has historically been incurred but not yet paid for. External debt – this is the actual amount borrowed. The difference between CFR and external debt is referred to as internal borrowing.	Capital financing requirement (CFR) - A technical calculation of historic capital expenditure less that already paid for, required to arrive at the annual level of debt repayment. External debt – this is the actual amount borrowed with third parties. The difference between CFR and external debt is referred to as internal borrowing.

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Page 30	Definition of net indebtedness	Net indebtedness – this is external debt less treasury investment balances. It is important that these are considered together as cash investments could be used to repay external debt.	Net indebtedness – this is external debt less treasury (i.e. liquid) investment balances. It is important that these are considered together as treasury investments could be used to repay external debt.																																																																																				
Page 31	Title of graph change and box removed and shown as text below to make graph clearer	Title - Asset Value, Debt Levels and Repayment Profiles Text box on graph removed – “original debt level before commercialisation, forward funding and regeneration projects of £100m	Title - Asset Value and Capital Financing Requirement Sentence added above the graph – “The original CFR levels before commercialisation, forward funding and regeneration projects were approximately £100m”																																																																																				
Page 32	Net indebtedness table – change in CFR number to include PFI liability which was excluded from audit committee version	<p>Audit Committee Table</p> <table border="1"> <thead> <tr> <th></th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>CFR (a)</td> <td>523</td> <td>626</td> <td>671</td> <td>650</td> <td>625</td> </tr> <tr> <td>Less internally funded (b)</td> <td>171</td> <td>171</td> <td>166</td> <td>169</td> <td>171</td> </tr> <tr> <td>External debt – general fund only (c = a+b)</td> <td>352</td> <td>454</td> <td>505</td> <td>481</td> <td>454</td> </tr> <tr> <td>Less treasury investments (d)</td> <td>93</td> <td>93</td> <td>120</td> <td>111</td> <td>120</td> </tr> <tr> <td>Net indebtedness (e = c – d)</td> <td>259</td> <td>362</td> <td>385</td> <td>370</td> <td>334</td> </tr> </tbody> </table> <p>Final Version Table</p> <table border="1"> <thead> <tr> <th></th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>CFR (a)</td> <td>529</td> <td>633</td> <td>678</td> <td>650</td> <td>625</td> </tr> <tr> <td>Less internally funded (b)</td> <td>171</td> <td>171</td> <td>166</td> <td>169</td> <td>171</td> </tr> <tr> <td>External debt – general fund only (c = a+b)</td> <td>358</td> <td>462</td> <td>512</td> <td>481</td> <td>454</td> </tr> <tr> <td>Less treasury investments (d)</td> <td>93</td> <td>93</td> <td>120</td> <td>111</td> <td>120</td> </tr> <tr> <td>Net indebtedness (e = c – d)</td> <td>265</td> <td>369</td> <td>392</td> <td>370</td> <td>334</td> </tr> </tbody> </table>		2021/22	2022/23	2023/24	2024/25	2025/26		£m	£m	£m	£m	£m	CFR (a)	523	626	671	650	625	Less internally funded (b)	171	171	166	169	171	External debt – general fund only (c = a+b)	352	454	505	481	454	Less treasury investments (d)	93	93	120	111	120	Net indebtedness (e = c – d)	259	362	385	370	334		2021/22	2022/23	2023/24	2024/25	2025/26		£m	£m	£m	£m	£m	CFR (a)	529	633	678	650	625	Less internally funded (b)	171	171	166	169	171	External debt – general fund only (c = a+b)	358	462	512	481	454	Less treasury investments (d)	93	93	120	111	120	Net indebtedness (e = c – d)	265	369	392	370	334	
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