

## Revenue Budget Summary - Capital Financing Charges

| Budget Description   | Budget Holder                      | 2021/22<br>Gross Budget | 2021/22<br>Net Budget |
|--|------------------------------------|-------------------------|-----------------------|
| Capital Financing Charges  | Tracey Woodhead<br>Finance Manager | £23,400                 | £20,900               |
| <p><b>Purpose of the Budget:</b></p> <p>The purpose of the Capital Financing Charges Budget is to account for all costs and income relating to the Council's loans, bank accounts and investments.</p>   |                                    |                         |                       |
| <p><b>Scope of Activity and Nature of the Service:</b></p> <p>The Capital Financing Charges Budget includes provision for all revenue costs relating to the Council's outstanding borrowing in terms of principal repayments and interest charges, as well as annual bank charges. The budget also provides for the income receivable from interest on the Council's invested balances and reserves and surplus bank balances.</p>   |                                    |                         |                       |
| <p><b>Contribution to Council Aims:</b></p> <p>The Capital Financing Charges Budget contributes directly to the Council's Strategic Aim 2:-<br/> <i>"To manage the council's finances and assets in a responsible manner".</i></p>   |                                    |                         |                       |
| <p><b>Performance Measures and Indicators</b></p> <p>There are no specific aims, targets or performance indicators relating to this budget.</p> <p>However, all of the Council's borrowing and investment activities are carried out within the framework set out in the Council's approved Treasury Management Code of Practice.</p>  |                                    |                         |                       |
| <p><b>Key Budget Changes for 2021/22</b></p> <p>This budget has increased by £1,650 to £20,900 per year.</p> <p>Whilst there will be a saving in loan repayment costs next year as a result of one of the Council's outstanding PWLB loans being due to be repaid part way through next year, this saving has been completely offset by the significant fall in investment income as a result of the cut in the Bank of England Base Rate to 0.10%.</p>  |                                    |                         |                       |
| <p><b>Importance of Service to the Community</b></p> <p>The Council's remaining outstanding borrowing relates to a loan taken out in 2005 to part fund the construction of the Town Park.</p> <p>The Council's has set aside earmarked capital reserves to allow further capital investment to be made in community assets in future years, in line with the approved Asset Management Plan and Medium-Term Financial Plan, without the need for further borrowing, at least in the medium term.</p> |                                    |                         |                       |
| <p><b>External Funding and Fees and Charges:</b></p> <p>Interest receivable on the Council's invested balances is budgeted to be around £2,500 in 2021/22 and is based on the projected level of balances and reserves during the year, and the very low rates of interest likely to be available.</p>   |                                    |                         |                       |