

BORROWING IN ADVANCE STRATEGY

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of extra sums borrowed. In accordance with the revised Treasury Management Code, any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds

In determining whether borrowing will be undertaken in advance of need the Chief Financial Officer will :-

- ensure that there is a clear link between the capital programme and maturity profile of existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue liabilities created and the implications of future plans and budgets have been considered
- evaluate the economic and market factors that might influence the decision to borrow and the timing of that decision
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available and the most appropriate periods to fund and repayment profile to be used
- consider the impact of borrowing in advance on temporarily increasing investment cash balances (until required to finance capital expenditure) and the consequent increase in exposure to counterparty risk and other risks given the controls in place to minimise these

The maximum extent to which borrowing in advance would be undertaken is **£20 million.**

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