

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
16 July 2013

Subject: 2012/13 CAPITAL OUTFURN & ANNUAL TREASURY MANAGEMENT REVIEW
All Wards
Portfolio Holder for Support Services and Economic Development: Councillor P R Wilkinson

1.0 PURPOSE AND BACKGROUND:

- 1.1 The purpose of this report is to present to Members the capital outturn position for the year ending 31 March 2013 and also update on the annual treasury management position. Capital expenditure is intrinsically linked with treasury management as the way that the capital programme is funded, directly effects the treasury management arrangements of the Council.
- 1.2 This Council currently does not borrow for a capital purpose; instead capital expenditure is funded by capital grants and capital receipts. The use of capital grants / capital receipts received in the year and the use of the capital receipts reserve to support capital expenditure affects the treasury management daily cash flow position.
- 1.3 The report is split into three distinct areas and therefore reports as follows on:
- (a) Capital:-
- Update Members on the Council's capital programme final outturn position for 2012/13;
 - Inform Cabinet of any capital under or over spends and seek approval for any resulting changes to the programme;
 - Inform the Cabinet of any capital slippage on schemes and seek approval for the associated funding to be slipped to or from the financial years to reflect this.
 - Inform Members of the funding position of the capital programme.
- (b) Treasury Management:-
- Update Members on the treasury management legislative requirements
 - Inform Cabinet of the treasury management position at 31 March 2013
 - Reflect on current economic interest rate environment and the treasury management strategy set prior to the beginning of the 2012/13 financial year
 - Inform Cabinet of the Borrowing and Investment Position for 2012/13
- (c) Prudential Indicators – Capital & Treasury Management
- Review the capital and treasury management indicators for 2012/13 outturn

2.0 CAPITAL OUTFURN 12/13, UNDER / OVER SPENDS AND RE-PROFILING OF CAPITAL SCHEMES:

- 2.1 The 2012/13 capital programme was approved by Council on 17 April 2012 at £1,959,310. During the financial year, further grants, contributions and reserve approvals revised the Capital budget to £2,130,432. A change in £171,122 which consisted of:-
- (a) Disabled facilities grant of £119,148, resulting in part of the original transfer from Council reserves no longer being required at £24,904;

- (b) Leisure Services third party contribution of £11,168 for the Gym Equipment refresh at Thirsk; and
- (c) Transfer from the Service Improvement Reserve of £40,807 for works on World of James Herriot.

2.2 At Capital Monitoring 3 on 19 March 2013, the capital programme was estimated to outturn at £1,257,599. The 2012/13 capital outturn was actually £1,128,686, which is £128,913 less than the latest estimate and representing a variation of £1,001,746 against the revised capital budget of £2,130,432.

2.3 The variation of £1,001,746 is comprised of 3 components:-

- (a) The first is a revision to the existing capital schemes budget where there is a request for increased funding to finalise the scheme. This totals £33,318 and is detailed in the paragraphs below;
- (b) The second component of the variation is a request for re-profiling that represents schemes budgets that are currently approved in the capital programme but require moving to or from future years in line with a changing timetable of delivery for a specific schemes. This totals £709,365; and
- (c) The third component is an under spend where the scheme has completed for less than the original budget or it is forecast funding is no longer required. This stands at £325,700.

2.4 Table 1 below shows the original and revised budget compared to outturn, including the variance. The variance is then shown as detailed in paragraph 2.2 above.

	Original Budget	Revised Budget - Additional Grants Received	Total Expenditure	Variance	Budget re-profiled to 2013/14	Over Spend - Request for additional funding	Under Spend - Funding no longer required
Corporate Services	255,680	255,680	107,840	(147,840)	130,650	(851)	18,041
Customer Services	465,070	505,877	221,677	(284,200)	125,751	(733)	159,182
Housing & Planning	309,860	429,008	248,477	(180,531)	154,910	0	25,621
Leisure and Health Services	747,700	758,867	403,945	(354,922)	263,800	(31,734)	122,856
Resources Services	181,000	181,000	146,747	(34,253)	34,253	0	0
	1,959,310	2,130,432	1,128,686	(1,001,746)	709,364	(33,318)	325,700

Table 1: Capital programme outturn 2012/13

2.5 The supporting information setting out the variances and the requirements for re-profiling are detailed in Annex A.

2.6 Five schemes over spent in 2012/13 totalling £33,318 and require additional funding from the capital receipts reserve. Approval is sought by Members in this report and the schemes are detailed below.

- 2.7 The first three schemes overspent by less than 5%:-
- (a) Public Lighting Replacements £851 – 1.66%;
 - (b) Springboard car park extension £733 – 3.66%. It should also be noted that further funding may be required for retention purposes in future years, approximately £500;
 - (c) Gym Equipment refresh Thirsk £104 – 0.43%;
 - (d) A fourth scheme overspent by 6.75%. Pipe work insulation at Stokesley, Thirsk and Bedale Leisure Centres - £471; and
 - (e) A fifth scheme funded from capital receipts was the pest control vehicles at £31,160, this was due to it being more cost effective to purchase the vehicles outright than lease them. There was an associated saving in the revenue budget where the vehicles were originally budgeted.
- 2.8 Capital schemes are monitored on a monthly basis and reported to Cabinet quarterly, ensuring that the majority of schemes are held within budget or reported to Council at the earliest opportunity.
- 2.9 The under spend on the capital programme in 2012/13 is £325,700, these funds are no longer required and are returned to the capital receipts reserve.

3.0 FUNDING THE CAPITAL PROGRAMME:

- 3.1 The 2012/13 capital programme of £1,128,686 has been funded from £342,428 grants and contributions, £43,107 revenue reserves, £120,331 capital receipts received in year and £622,820 capital receipts reserve accumulated from previous years.
- 3.2 The overall funding position continues to be closely monitored to ensure the overall capital programme remains affordable and sustainable over the 10 year approved capital plan.

4.0 TREASURY MANAGEMENT POSITION 2012/13 AND THE LEGISLATIVE REQUIREMENT:

- 4.1 The Council is required by regulation under the Local Government Act 2003 to produce an Annual Treasury Management Review of activities and the actual Prudential and Treasury Indicators for 2012/13. This report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 4.2 During 2012/13 the minimum reporting requirements were that the full Council should receive the following reports:-
- an annual Treasury Strategy in advance of the year (Cabinet 20 March 2012);
 - a mid-year treasury update report (Cabinet 27 November 2013); and
 - an annual review following the end of the year describing the activity compared to the Strategy (this report).
- 4.3 The regulatory environment places responsibility on Members for the review and scrutiny of Treasury Management Policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

- 4.4 This Council also confirms that it has complied with the requirement under the Code to give scrutiny to all of the above treasury management reports before they were reported to the full Council. This scrutiny role was carried out by Cabinet. Member training on treasury management issues is also key to Members to support their scrutiny role and further training is being prepared for 2013/14.
- 4.5 At the beginning and the end of 2012/13 the Council's treasury position (excluding finance leases) was to continue to be debt free. No borrowing has been taken prior to or during 2012/13. With regards to finance leases the position at the beginning of the finance year was £83,976, with the end of year standing at £23,199. This was for the remaining vehicles on lease to the end of July 2013 and reprographics equipment.
- 4.6 The capital financing requirement, which is the amount of borrowing required to support the capital programme, is zero for this Council. The following table shows the treasury management position as at 31 March 2013:

	31-Mar-13	Rate	31-Mar-12	Rate
	£m	%	£m	%
Capital Financing Requirement	0		0	
Borrowing	0		0	
Investments	22	1.452	22.3	1.459

Table 2: Borrowing and Investment position at 31 March 2013

5.0 THE ECONOMY, INTEREST RATES AND TREASURY MANAGEMENT STRATEGY:

- 5.1 The financial year 2012/13 continued the challenging investment environment of previous years, namely low investment returns and continuing heightened levels of counterparty risk. The original expectation for 2012/13 was that Bank Rate would start gently rising from quarter 4 2014. However, economic growth in the UK was disappointing during the year due to the UK austerity programme, weak consumer confidence and spending, a lack of rebalancing of the UK economy to exporting and weak growth in our biggest export market - the European Union (EU).
- 5.2 The UK coalition Government maintained its tight fiscal policy stance against a background of warnings from two credit rating agencies that the UK could lose its AAA credit rating. Moody's followed up this warning by actually downgrading the rating to AA+ in February 2013 and Fitch then placed their rating on negative watch, after the Budget statement in March. Key to retaining the AAA rating from Fitch and S&P will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within a reasonable timeframe.
- 5.3 Weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing by £50bn in July to a total of £375bn. Bank Rate therefore ended the year unchanged at 0.5% while Consumer Prices Index inflation fell from 3% at the start of the year to end at 2.8% in March, with an expected fall to below 2% pushed back to quarter 1 2016. The EU sovereign debt crisis was an ongoing saga during the year with first Greece and then Cyprus experiencing crises which were met with bailouts after difficult and fraught negotiations.
- 5.4 **Gilt yields** oscillated during the year as events in the ongoing Eurozone debt crisis ebbed and flowed, causing corresponding fluctuations in safe haven flows into/out of UK gilts. This, together with a further £50bn of Quantitative Easing in July and widely expected further QE still to come, combined to keep borrowing rates depressed for much of the year at historically very low levels.

- 5.5 **Deposit rates** - The Funding for Lending Scheme, announced in July, resulted in a flood of cheap credit being made available to banks and this has resulted in money market investment rates falling sharply in the second half of the year. However, perceptions of counterparty risk have improved after the European Central Bank statement in July 2012 that it would do “whatever it takes” to support struggling Eurozone countries. This has resulted in some return of confidence to move away from only very short term investing.
- 5.6 **Strategy 2012/13** - Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach, whereby investments continue to be dominated by counterparty risk considerations, resulting in relatively low returns.
- 5.7 The Council has maintained its debt free position resulting in the capital programme being funded from external grants, revenue contribution and capital receipts. The main impact of the economy and interest rates is therefore on the Council’s investment strategy and it has continued to focus on reducing counterparty risk on investments, whilst maintaining the required liquidity and obtaining the highest rate of return obtainable. It has been a volatile year for borrowing rates, driven by events in the Eurozone which oscillated between crises and remedies, which has resulted in bank rates remaining low for investment purposes.

6.0 BORROWING OUTTURN FOR 2012/13:

- 6.1 The Council remained debt free in 2012/13. For completeness of the report and to ensure Members are kept up to date with regards to borrowing rates, the graph below shows borrowing rates from the Public Works Loan Board remained close to historically very low levels during the year.

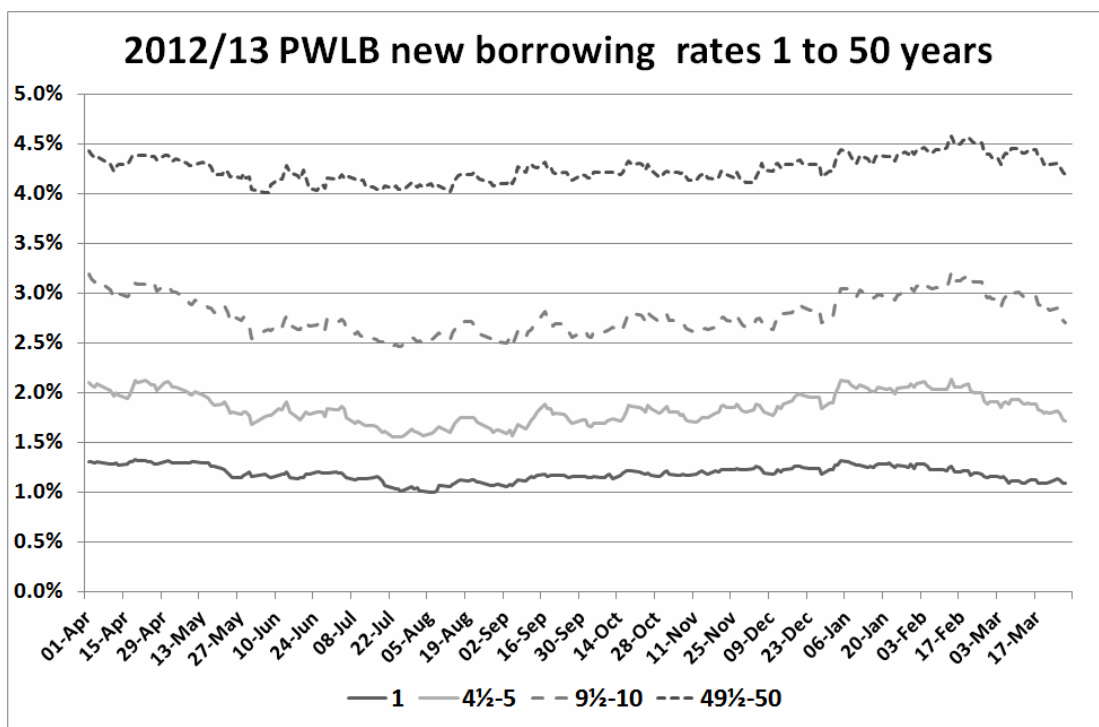


Figure 1: Borrowing Rates 2012/13

- 6.2 **Treasury Borrowing** – the Council remains debt free and undertook no external borrowing for cash flow purposes or capital financing purposes during 2012/13.
- 6.3 **Rescheduling of Borrowing** – the Council has no debt and therefore undertook no rescheduling of debt during 2012/13.

6.4 **Repayment of borrowing** – the Council has no external loans and therefore no repayments were necessary.

7.0 **INVESTMENT OUTTURN FOR 2012/13:**

7.1 Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for four years. Market expectations of the start of monetary tightening, where base rate will rise, were pushed back during the year to early 2015 at the earliest. The Funding for Lending Scheme resulted in a sharp fall in deposit rates in the second half of the year. The graph below highlights this fall in interest rates and shows the investment rates obtainable for different periods of time during the year:

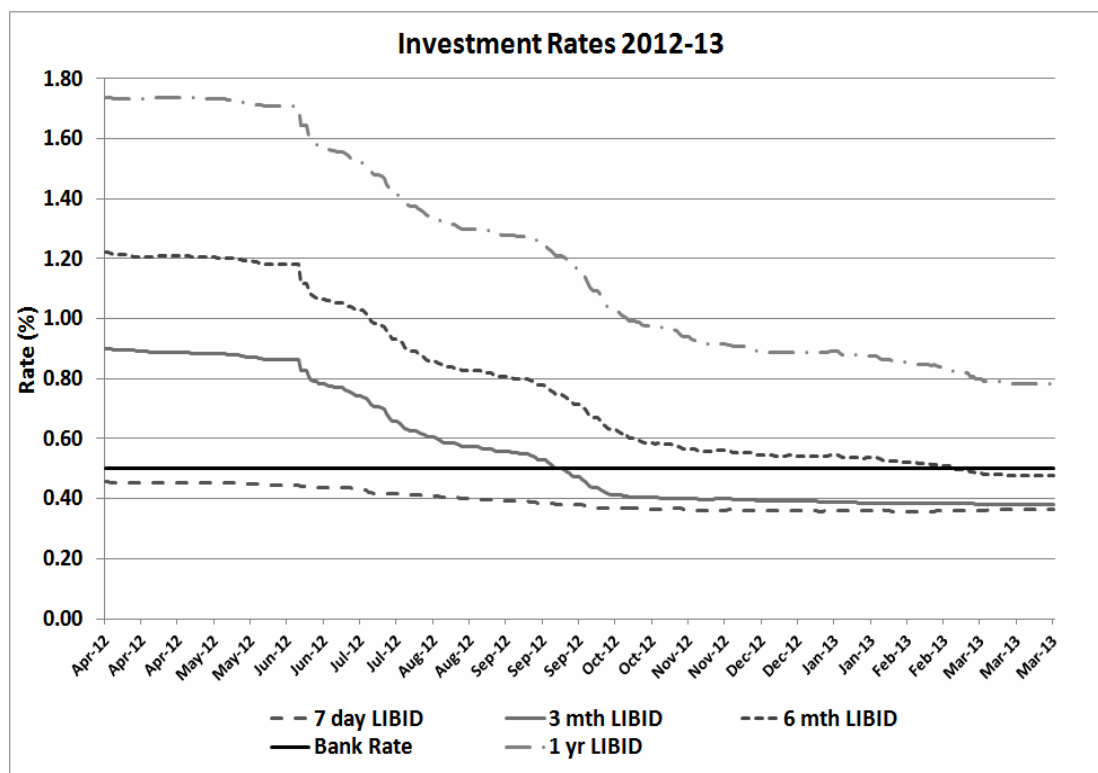


Figure 2: Fall in Investment Interest Rates 2012/13

7.2 **Investment Policy** – the Council's investment policy is governed by the Department for Communities and Local Government Guidance, which was been implemented in the annual investment strategy approved by Cabinet on 20 March 2013. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc).

7.3 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

7.4 **Investments held by the Council** - the Council maintained an average balance of £30,161,000 of internally managed funds. This earned an average rate of return of 1.452% compared against the average 7-day LIBID (London Inter Bank Bid) rate benchmark of 0.394%. This performance, not only exceeded the benchmark but also exceeded the target of 0.894% (benchmark plus 0.5%).

Annualised Returns 2012/13			
	Actual %	Excess over Benchmark %	Excess over Target %
Core Cash	1.586		
Cash Flow	0.578		
TOTAL	1.452	1.058	0.558
Benchmark	0.394		
Target	0.894		

Table 3: Rate of Return on Investments compared to Benchmark and Target 2012/13

- 7.5 From Table 3 it can be seen that for the year the in-house team has exceeded both the benchmark and its performance target.
- 7.6 The investment position can also be split between core investments and cash flow investments. Average balance on core investments was £26,147,000 which earned an average interest rate of 1.375% and interest of £414,772. Cash flow investments had an average investment balance of £4,014,000 which earned an average investment balance of 0.77% and interest of £23,185. Both these rates exceeded the 7 Day LIBID (London Inter Bank Bid) Rate at 0.394%.
- 7.7 In cash terms the actual returns in 2012/13 compared to the budget and benchmark are shown:-

<u>Budget</u> £	<u>Actual</u> £	<u>Benchmark</u> <u>Return</u> £	<u>Excess Over</u> <u>Benchmark</u> £
388,000	437,959	118,863	269,643

Table 4: Actual Return on Investments compared to Benchmark & Target 2012/13

- 7.8 The income provided in the revenue budget for 2012/13 for interest earned on investment balances compared to the budget has resulted in a surplus of £49,959. The effect will be to marginally increase the expected amount transferred to the Council Taxpayers Reserve.
- 8.0 PRUDENTIAL INDICATORS:**
- 8.1 The Prudential Indicators which control the borrowing and treasury management position of the Council are attached at Annex B. None of the indicators were breached during 2012/13.
- 9.0 LINK TO COUNCIL PRIORITIES:**
- 9.1 All schemes approved as part of the capital programme have been evaluated against key corporate priorities. Schemes are only undertaken and approved by cabinet in accordance with the Council Plan.
- 10.0 RISK ASSESSMENT:**
- 10.1 The capital programme is regularly monitored as part of the corporate monitoring process on a quarterly basis. In addition to this the Capital Monitoring Group meets regularly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are minimised.

11.0 FINANCIAL IMPLICATIONS:

11.1 The financial implications are dealt with in the body of the report.

12.0 LEGAL IMPLICATIONS:

12.1 Treasury Management activities conform to the Local Government Act 2003 and the Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice.

13.0 EQUALITY/DIVERSITY ISSUES:

13.1 The capital programme seeks to address key equality issues that affect the Council and the public. The main scheme that specifically addressed equalities in 2012/13 was the Disabled Facilities Grant Scheme.

14.0 RECOMMENDATIONS:

14.1 It is recommended to Council that:-

- 1) the 2012/13 capital outturn position of £1,128,686 be noted;
- 2) the requests for re-profiling the capital programme totalling £709,364 from 2012/13 programme to 2013/14 be approved;
- 3) the under spend of £325,700 and over spend of £33,138 as detailed in the body of the report be approved;
- 4) the restated 2013/14 capital programme as detailed in Annex A, which takes into account the re-profiling of schemes be approved;
- 5) the treasury management outturn position 2012/13 be noted; and
- 6) the Prudential Indicators attached at Annex B be noted.

JUSTIN IVES

Author ref: LBW

Contact: Louise Branford-White
Finance Manager
Direct Line No: 01609 767024

Background papers: Annual Financial Report 2012/13
Outturn Position 12/13 Finance Ledger
Capital Monitoring Reports in 2012/13
Treasury Management Reports in 2012/13

CAPITAL MONITORING STATEMENT 2012/2013				ANNEX A						
Project Sponsor	Approval Granted	HDC £	Programme Grants		Revised Total £	Expenditure Total	Roll Forward	(Taken from) Reserve	Returned to Reserve	Explanation
			£	£						
Corporate Services										
Car Parks - Thirsk Cobbles	MR	100,000	-	100,000	100,000	23,750	76,250			Work started Feb 2013 and was 25% completed by the end of March. The delay was due to bad weather and contractor not being able to get on to site.
Car Parks - Reinstatements	MR	48,000	-	48,000	48,000	110	47,890			On-site works planned to be carried out first week in April 2013. Therefore funding rolled forward. The delay was due to bad weather and the contractor not being able to get on site.
Car Parking Charges - Directional Signs	MR	6,510	-	6,510	6,510	0	6,510			On-site works to be completed in April, therefore funding was carried forward.
Civic Centre Boiler	JMR	50,000	-	50,000	50,000	31,959	0	18,041		Scheme completed, remaining funds returned to capital reserve.
Public lighting replacements	MR	51,170	-	51,170	51,170	52,021	0	(851)		Work completed at 31/03/13. Overspend of £851 to be funded from capital reserve. Other schemes have been under spent in 2012/13 to cover this requirement.
Total Corporate Services		255,680	0	255,680	255,680	107,840	130,650	(851)	18,041	
Customer Services										
CCTV Control Room Upgrade	SW	99,000	-	99,000	99,000	71,931	10,069			The majority of the work was completed by 31/3/13, with £10,000 rolled forward for scheme completion in 2013/14. £17,000 underspend returned to the capital reserve.
Bedale Station and Bridge	SW	63,000	-	63,000	63,000				63,000	Grant received from NYCC to fulfil a planning condition. Scheme under review, £63,000 to be retained in reserve pending decision.
Adoptions - Northallerton Thurston Rd	SW	130,000	-	130,000	130,000	64,963	65,037			£64,963 expenditure in year, with £65,037 rolled forward to complete remedial works as discussed with NYCC. Capital programme 2013/14 also included additional funding, approved at Cabinet 19/03/13.
Ellerbeck Court, Stokesley Adoption Works	SW	49,100	-	49,100	49,100	1,455	47,645			The majority of the work to be completed in 2013/14 in line with discussion with NYCC. £47,645 funding rolled forward. Additional capital funding approved at Cabinet on 19/03/13 as part of the Capital Programme 2013/14.
Northallerton Evolution Business Centre	SW	36,000	-	36,000	36,000		0		36,000	Retention monies £36,000 returned to the capital reserve to fund a possible future survey as part of the ERDF Grant condition.
Momentum (Grow on Units), Stokesley	SW	37,420	-	37,420	37,420	17,372			20,048	Claim settled with the administrator, scheme completed. £20,048 returned to the reserve.
Adoptions - Leeming Bar Phases 2, 3 & 4	SW	3,730	-	3,730	3,730	0			3,730	Scheme completed. £3,730 returned to the reserve.
World of James Herriot Windows, Roof & Lighting & Equipment	SW	2,300	-	2,300	43,107	43,107	0			Works completed.
Springboard Car Park Extension	SW	20,000	-	20,000	20,000	20,733	0	(733)		Scheme completed with an over spend of £733. Retention fee of £535 from reserves required for 2013/14
Thirsk New TIC	SW	3,000	-	3,000	3,000	0	3,000			Scheme Completed. Outstanding dispute with contractor, funding rolled forward to 2013/14.
Northallerton Town Square	SW	21,520	-	21,520	21,520	2,116	0		19,404	Scheme completed. £19,404 returned to S106 reserve.
Total Customer Services		465,070	-	465,070	505,877	221,677	125,751	(733)	159,182	
Housing & Planning										
Domestic Violence Refuge	MJ	-	121,000	121,000	121,000	0	121,000			Scheme to be Rolled Forward to 2013/14. This is a payment to Broadacres funded from S106 contributions from new housing developments in Northallerton.
Wheeled Bins, Litter & Dog Bins	MJ	38,860	-	38,860	38,860	38,142	0		718	Annual programme of replacement completed. £718 returned to the reserve.

CAPITAL MONITORING STATEMENT											
2012/2013											
	Project Sponsor	Approval Granted	HDC	Programme Grants		Revised Total	Expenditure Total	Roll Forward	(Taken from) Reserve	Returned to Reserve	Explanation
			£	£	£	£					
Housing Renovation Grants (Net)	MJ		50,000	100,000	150,000	269,148	210,334	33,910		24,904	Total expenditure of £210,334, with further planned expenditure of £33,910. £33,910 funding forward to 2013/14 and £24,904 to be returned to the reserve as additional Government funding received.
Total Housing & Planning			88,860	221,000	309,860	429,008	248,477	154,910	-	25,621	
Leisure & Health											
Pool Filters SLC & BLC	DG		125,000	-	125,000	125,000		125,000			Scheme rolled forward into 2013/14 - Pool filters have not reached a state where they need replacing.
Pool Tank Tiles HLC/TLC/BLC	DG	20.03.12	120,000	-	120,000	120,000	54,961	47,039		18,000	Scheme to be completed in April 2013. £47,039 to be rolled forward for completion of scheme and £18,000 funding not required returned to the reserve.
HLC Plant Controls & Air Handling	DG	17.04.12	21,000	-	21,000	21,000		21,000			Roll Forward to 2013/14. Result of tender required further £7k funding. Funding approved in 2013/14 capital programme at 19/03/13 Cabinet.
Combined Heat & Power Unit SLC/BLC/TSP	DG	17.04.12	240,000	-	240,000	240,000	144,864	70,761		24,375	Scheme anticipated to completed early in the new financial year. Waiting confirmation from electricity supplier that cheaper energy created can be utilised. Roll forward £70,761 and £24,375 to be returned to the capital reserve.
Gym Equipment Refresh Thirsk SP	DG		24,000	-	24,000	35,167	35,271	0	(104)		Slight overspend of £104 to be funded from the capital reserve
SLC/BLC Intruder & Fire Alarms	DG		29,000	-	29,000	29,000	19,909	0		9,091	Scheme Completed, £9,091 returned to Capital reserve.
Thirsk All Weather Pitch	DG	2010	2,700	-	2,700	2,700	1,025	0		1,675	Scheme Completed, £1,675 returned to Capital reserve.
Roof Repairs SLC & HLC	DG	20.03.12	24,670	-	24,670	24,670	18,472	0		6,198	Scheme Completed, £6,198 returned to Capital reserve.
Voltage Optimisers Civic Centre & HLC	DG	2010	49,330	-	49,330	49,330	13,223	0		51,656	Scheme Completed, £51,656 returned to Capital reserve.
Voltage Optimisers SLC & BLC	DG		24,000	-	24,000	24,000	11,827				Scheme completed.
Voltage Optimisers TLC	DG	17.04.12	16,000	-	16,000	16,000	12,624				Scheme completed.
Pipework Insulation SLC/TSP/BLC	DG	20.03.12	7,000	-	7,000	7,000	7,471	0	(471)		Scheme completed, £471 over spend to be funded from capital reserve.
Hambleton Forum - asset transfer project	DG	11.09.12	22,000	-	22,000	22,000	22,000	0		0	Scheme completed.
Vehicles	DG		-	-	-	-	31,160	0	(31,160)		Scheme completed. Funded from capital reserve due to it being more cost effective to purchase the vehicles outright than lease.
Aircon Legislation Server Rooms, Repro & Gym	DG	17.04.12	15,000	-	15,000	15,000	14,966	0		34	Rolling programme for work, 2012/13 scheme completed and £34 returned to the reserve. Further funds approved in 2013/14 capital programme at 19/03/13 Cabinet.
T5 Lighting - Civic Centre, SLC & HLC	DG	17.04.12	28,000	-	28,000	28,000	16,173	0		11,827	Completed at 31/3/13. £11,827 saving, returned to reserve.
Total Leisure & Health			747,700	-	747,700	758,867	403,945	263,800	(31,734)	122,856	
Resources											
Service Applications	JL	17.04.12	30,000	-	30,000	30,000	17,418	12,582		0	Six ICT Capital schemes worked on in tandem, therefore 3 of the schemes have completed - Network & Security,
Network & Security	JL	17.04.12	23,000	-	11,540	11,540	11,785	0		0	Communications and Desktops. Three schemes have funds carried forward to future years (a) Services Applications
Software	JL	17.04.12	30,000	-	46,500	46,500	30,502	15,664		0	(b) Software £15,664, (c) Servers £6,007. The schemes remain funded overall and no funds have been returned to the capital reserve.
Servers	JL	17.04.12	16,000	-	37,900	37,900	22,939	6,007		0	
Communications	JL	17.04.12	60,000	-	-	-	1,110	0		0	
Desktops	JL	17.04.12	22,000	-	55,060	55,060	62,993	0		0	
Total Resources			181,000	-	181,000	181,000	146,747	34,253	-	-	
Total			1,738,310	221,000	1,959,310	2,130,432	1,128,686	709,364	(33,318)	325,700	

2012/13 Capital Outturn and Treasury Management Annual Review

Prudential and Treasury Management Indicators

During 2012/13, the Council complied with the legislative requirements for Treasury Management detailed in the Local Government Act 2003. The Regulations in the CIPFA (Chartered Institute of Public Finance and Accounts) Prudential Code and Treasury Management Code were also followed.

The Prudential Indicators assist in the monitoring of the Capital Programme and ensure that from a financial perspective all schemes approved by Council are affordable, sustainable and prudent.

The main purpose of the indicators is to control how much a Council needs to borrow and as this Council is debt free, the majority of the indicators are nil.

1. PRUDENTIAL INDICATORS	2011/12	2012/13	2012/13
Extract from budget and rent setting report	actual	original	actual
	£'000	£'000	£'000
Capital Expenditure	983	1,950	1,128
Ratio of financing costs to net revenue stream	N/A	N/A	N/A
Net borrowing requirement General Fund			
brought forward 1 April	Nil	Nil	Nil
carried forward 31 March	Nil	Nil	Nil
in year borrowing requirement	Nil	Nil	Nil
Capital Financing Requirement 31 March 2103	Nil	Nil	Nil
Annual change in Cap. Financing Requirement	Nil	Nil	Nil
Incremental impact of capital investment decisions	£ p	£ p	£ p
Increase in council tax (band D) per annum	£2.64	£3.87	£0.45

2. TREASURY MANAGEMENT INDICATORS	2011/12	2012/13	2012/13
	actual	original	actual
	£'000	£'000	£'000
Authorised Limit for external debt -			
borrowing	£5,000	£5,000	£5,000
other long term liabilities	£0	£1,000	£1,000
TOTAL	£5,000	£6,000	£6,000
Operational Boundary for external debt -			
borrowing	£4,000	£4,000	£4,000
other long term liabilities	£0	£600	£600
TOTAL	£4,000	£4,600	£4,600

Actual external debt	£0	£0	£0
Upper limit for fixed interest rate exposure			
Net principal re fixed rate borrowing / investments	£5,000	£5,000	£5,000
Upper limit for variable rate exposure			
Net principal re variable rate borrowing / investments OR:-	Nil	Nil	Nil
Upper limit for total principal sums invested for over 364 days (per maturity date)	£12,500	£12,500	£12,500

Maturity structure of fixed rate borrowing during 2012/13	upper limit	lower limit
under 12 months	100%	100%
12 months and within 24 months	0%	0%
24 months and within 5 years	0%	0%
5 years and within 10 years	0%	0%
10 years and above	0%	0%