

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
15 July 2014

Subject: **2013/14 CAPITAL OUTFURN AND ANNUAL TREASURY MANAGEMENT REVIEW**

All Wards
Portfolio Holder for Support Services: Councillor N Knapton

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 2014 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 revenue contributions, capital grant and capital receipts. The use of revenue contributions, 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:
- (a) Capital:-
- Update Members on the Councils Capital Programme final outturn position for 2013/14;
 - 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.
 - Inform Cabinet of urgent capital schemes in 2014/15 that need to be approved and will be included in quarter 1 monitoring
- (b) Treasury Management:-
- Update Members on the treasury management legislative requirements
 - Inform Cabinet of the treasury management position at 31 March 2014
 - Reflect on current economic interest rate environment and the treasury management strategy set prior to the beginning of the 2013/14 financial year
 - Inform Cabinet of the Borrowing and Investment Position for 2013/14
- (c) Prudential Indicators – Capital & Treasury Management
- Review the capital and treasury management indicators for 2013/14 outturn

2.0 CAPITAL OUTFURN 13/14, UNDER / OVER SPENDS AND RE-PROFILING OF CAPITAL SCHEMES:

- 2.1 The 2013/14 Capital Programme was approved by Council on 19 March 2013 at £1,985,500. During the financial year, further grants, contributions and reserve approvals revised the Capital budget at Quarter 3 to £2,480,600. In the last quarter of the financial

year, it was recognised that further capital expenditure would be required where approval would be gained from Cabinet at the first opportunity, in this outturn report. All the additional schemes already had external funding sources and totalled £58,585, these schemes are:

- (a) Thirsk & Sowerby Sports Village £21,828, funded from S106
- (b) CCTV Camera Replacement £9,563, funded from revenue contribution
- (c) Bedale Craft Yard Window £7,800, funded from revenue contribution
- (d) Community Grant Leader Scheme £19,394, funded from revenue contribution

2.2 In addition to the externally funded schemes, it was recognised earlier in the year prior to Quarter 3 that some schemes would need to be carried forward into 2014/15 and therefore these schemes were removed from the Capital Programme at £244,354. In order to get a transparent position at outturn, these schemes are now included in the revised Capital Programme position and include:

- (a) Disabled Facilities Grant £44,354
- (b) Waste & Street Scene clocking system £9,000
- (c) CCTV Control room upgrade – wireless Network £71,000
- (d) Bedale Leisure Centre Improvement scheme All Weather Pitch - £120,000

2.3 Therefore, the Capital Programme has been revised to £2,783,539. The 2013/14 capital outturn was actually £2,158,305 which represents a variance of £625,235. This variation 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 schemes. This totals £10,339 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 specific schemes. This totals £513,247.
- (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 £122,327.

2.4 Table 1 below shows the revised budget compared to outturn, including the variance. The format of the table reflects the portfolios of the Council during 2013/14. The variance is then shown as detailed in paragraph 2.3 above.

Council Portfolio's during 2013/14	Revised Budget at Outturn	Total Expenditure	Variance	Budget re-profiled to 2014/15	Over Spend - Request for additional funding	Under Spend - Funding no longer required
Housing, Planning & Waste Management	464,555	360,948	(103,607)	(107,380)	5,238	(1,465)
Leisure & Health	1,009,447	723,694	(285,753)	(242,636)	2,445	(45,562)

Customer Services & Asset Management	607,925	471,524	(136,401)	(139,057)	2,656	0
Support Services & Economic Development	686,612	599,000	(87,612)	(12,312)	0	(75,300)
Corporate	15,000	3,139	(11,862)	(11,862)	0	0
Total	2,783,539	2,158,305	(625,235)	(513,247)	10,339	(122,327)

Table 1: Capital programme outturn 2013/14

- 2.5 The Capital Programme has been closely monitored during 2013/14 at the monthly Capital Programme monitoring group. This has raised the profile of the Capital Programme across the Council and the Capital Programme expenditure for 2013/14 compared to the Capital Programme during the year was 78%. This expenditure rate is good considering 9% of schemes were recognised in the year to be carried forward.
- 2.6 The supporting information setting out the variances and the requirements for re-profiling are detailed in Annex A.
- 2.7 Six schemes overspent in 2013/14 totalling £10,339 – 0.48% of the total expenditure - and required additional funding from the capital receipts reserve. Approval is sought by Members in this report and the schemes are detailed below.
- 2.8 The first three schemes overspent by minimal amounts, less than 1% and a total for the 3 schemes of £226. Further information can be found in Annex A. With regards to the further 3 schemes, overspend was as follows:
- (a) Vehicle workshop adaptations £5,178 – 34.52% - due to additional electrical, power supply and lighting works to meet requirements of contractors and current regulations.
 - (b) Hambleton Leisure Centre dehumidifier £2,329 – 25.87% - due to the works required being of an urgent nature.
 - (c) Ellerbeck Court, Stokesley Adoption Works - £2,546 – 3.5% - due to additional works identified by North Yorkshire County Council.
- 2.9 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.
- 2.10 The underspend on the Capital Programme in 2013/14 is £122,328; these funds are no longer required and are returned to the capital receipts reserve. The schemes to be carried forward and will be included in the 2014/15 Capital Programme total £513,246.
- 2.11 In 2014/15, there are two schemes where capital works need to commence prior to the Quarter 1 Capital Programme report being presented to Members. Therefore, this outturn is the earliest opportunity where urgent schemes can be approved by Cabinet and they are detailed below:

- (a) Hambleton Leisure Centre Playing Field Fence - £10,000. Recently travellers have accessed the playing fields and remained in situ for a number of weeks. This does not allow for public access across the playing fields at all times. Therefore Cabinet is asked to approve the erection of a fence that will prevent vehicles from entering the field but will allow pedestrians and bikes access.
- (b) Leeming Bar Business Park resurfacing entrance works - £8,000. Resurfacing works are urgently required at the entrance to Leeming bar Business Park and Cabinet is asked for approval that these works can commence as soon as possible.

2.12 At Quarter 1 2014/15, the schemes to be carried forward from 2013/14, the 2 schemes listed above in paragraph 2.11 and the Capital Programme 2014/15 approved at Cabinet on 18 March 2014 will be combined to commence the consolidated Capital programme for monitoring

3.0 FUNDING THE CAPITAL PROGRAMME:

- 3.1 The 2013/14 Capital Programme of £2,158,304 has been funded from £266,260 grants and contributions, £77,214 reserve and £33,775 revenue reserves, £606,554 capital receipts received in year and £1,174,551 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 2013/14 AND THE LEGISLATIVE REQUIREMENT:

- 4.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2013/14. This report meets the requirements of both the 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 2013/14 the minimum reporting requirements were that the full Council should receive the following reports:
 - an annual treasury strategy in advance of the year (Cabinet 19 March 2013)
 - a mid-year (minimum) treasury update report (Council 3 December 2013)
 - an annual review following the end of the year describing the activity compared to the strategy (this report)In addition, this Council has received quarterly treasury management update reports on 3 September 2014 and 11 February 2014 which were received by Cabinet.
- 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 2014/15.

- 4.5 At the beginning and the end of 2013/14 the Council's treasury position (excluding finance leases) was to continue to be debt free. No borrowing has been taken prior to or during 2013/14. With regards to finance leases, the position at the beginning of the finance year was £23,199, with the end of year standing at zero. This remaining vehicles on finance leases ended on July 2013 as did the reprographics equipment.
- 4.6 The capital financing requirement, which is the amount of borrowing required to support the capital expenditure programme, is zero for this Council. The following table shows the treasury management position as at 31 March 2014:-

Table 1: Borrowing and Investment position at 31 March 2014	31-Mar-14	Rate	31-Mar-13	Rate
	£m	%	£m	%
Capital Financing Requirement	0		0	
Borrowing	0		0	
Investments	22.97	1.025	22.0	1.452

Table 2: Borrowing and Investment position at 31 March 2014

5.0 THE ECONOMY AND INTEREST RATES:

- 5.1 The financial year 2013/14 continued the challenging investment environment of previous years, namely low investment returns, although levels of counterparty risk had subsided somewhat. The original expectation for 2013/14 was that Bank Rate would not rise during the year and for it only to start gently rising from quarter 1 2015. This forecast rise has now been pushed back to a start in quarter 3 2015. Economic growth (Gross Domestic Product - GDP) in the UK was virtually flat during 2012/13 but surged strongly during the year. Consequently there was no additional quantitative easing during 2013/14 and Bank Rate ended the year unchanged at 0.5% for the fifth successive year. While Consumer prices Index (CPI) inflation had remained stubbornly high and substantially above the 2% target during 2012, by January 2014 it had, at last, fallen below the target rate to 1.9% and then fell further to 1.7% in February. It is also expected to remain slightly below the target rate for most of the two years ahead.
- 5.2 Gilt yields were on a sharply rising trend during 2013 but volatility returned in the first quarter of 2014 as various fears sparked a flight to quality (see paragraph 4.) The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling drastically in the second half of that year and continuing into 2013/14. That part of the Scheme which supported the provision of credit for mortgages was terminated in the first quarter of 2014 as concerns rose over resurging house prices.
- 5.3 The UK coalition Government maintained its tight fiscal policy stance but recent strong economic growth has led to a cumulative, (in the Autumn Statement 2013 and the March 2014 Budget), reduction in the forecasts for total borrowing, of £97bn over the next five years, culminating in a £5bn surplus in 2018-19.
- 5.4 The EU sovereign debt crisis subsided during the year and confidence in the ability of the Eurozone to remain intact increased substantially. Perceptions of counterparty risk improved after the European Central Bank (ECB) statement in July 2012 that it would do "whatever it takes" to support struggling Eurozone countries; this led to a return of confidence in its banking system which has continued into 2013/14 and led to a move away from only very short term investing. However, this is not to say that the problems of the Eurozone, or its banks, have ended as the zone faces the likelihood of weak growth over

the next few years at a time when the total size of government debt for some nations is likely to continue rising. Upcoming stress tests of Eurozone banks could also reveal some areas of concern.

6.0 THE STRATEGY FOR 2013/14

- 6.1 The expectation for interest rates within the strategy for 2013/14 anticipated low but rising Bank Rate (starting in quarter 1 of 2015), and gradual rises in medium and longer term fixed borrowing rates during 2013/14. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
- 6.3 In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.
- 6.4 The actual movement in gilt yields meant that Public Works Loan Board rates were on a sharply rising trend during 2013 as markets anticipated the start of tapering of asset purchases by the Federal Reserve. This duly started in December 2013 and the US Federal Reserve adopted a future course of monthly reductions of \$10bn (from a starting position of \$85bn), meaning that asset purchases were likely to stop by the end of 2014. However, volatility set in during the first quarter of 2014 as fears around emerging markets, various vulnerabilities in the Chinese economy, the increasing danger for the Eurozone to drop into a deflationary spiral, and the situation in the Ukraine, caused rates to dip down, reflecting a flight to quality into UK gilts.
- 6.5 Change in strategy during the year – the strategy adopted in the original Treasury Management Strategy Report for 2013/14 approved by the Council on 19 March 2013 was subject to revision during the year due to the difficulties in placing the Council's surplus funds for investments within the Counterparty limits set. The individual and group counterparty limits were amended along with the introduction of enhanced money market funds to assist with the diversification of the investment portfolio.
- 6.6 The Individual Limit for Government backed institutions was changed to 50% of total investments or £12m per counterparty whichever is the higher.
- 6.7 The Group limits for Government backed institutions were changed to 80% of the fund value.

7.0 BORROWING RATES IN 2013/14

- 7.1 The Council remained debt free in 2013/14. 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.

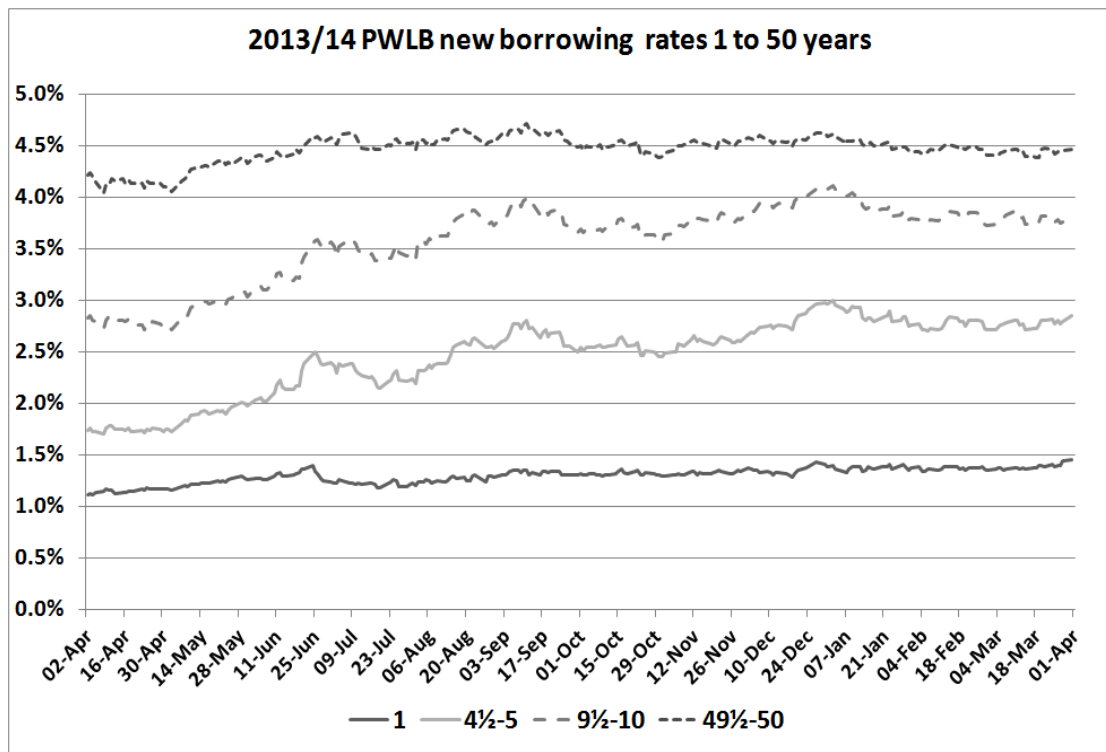


Figure 1: Borrowing Rates 2013/14

- 7.2 **Treasury Borrowing** – the Council remains debt free and undertook no external borrowing for cash flow purposes or capital financing purposes during 2013/14.
- 7.3 **Rescheduling of Borrowing** – the Council has no debt and therefore undertook no rescheduling of debt during 2012/13.
- 7.4 **Repayment of borrowing** – the Council has no external loans and therefore no repayments were necessary.

8.0 INVESTMENT RATES IN 2013/14

- 8.1 Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for five years. Market expectations as to the timing of the start of monetary tightening ended up unchanged at early 2015. The Funding for Lending Scheme resulted in deposit rates remaining depressed during the whole of the year, although the part of the scheme supporting provision of credit for mortgages came to an end in the first quarter of 2014.

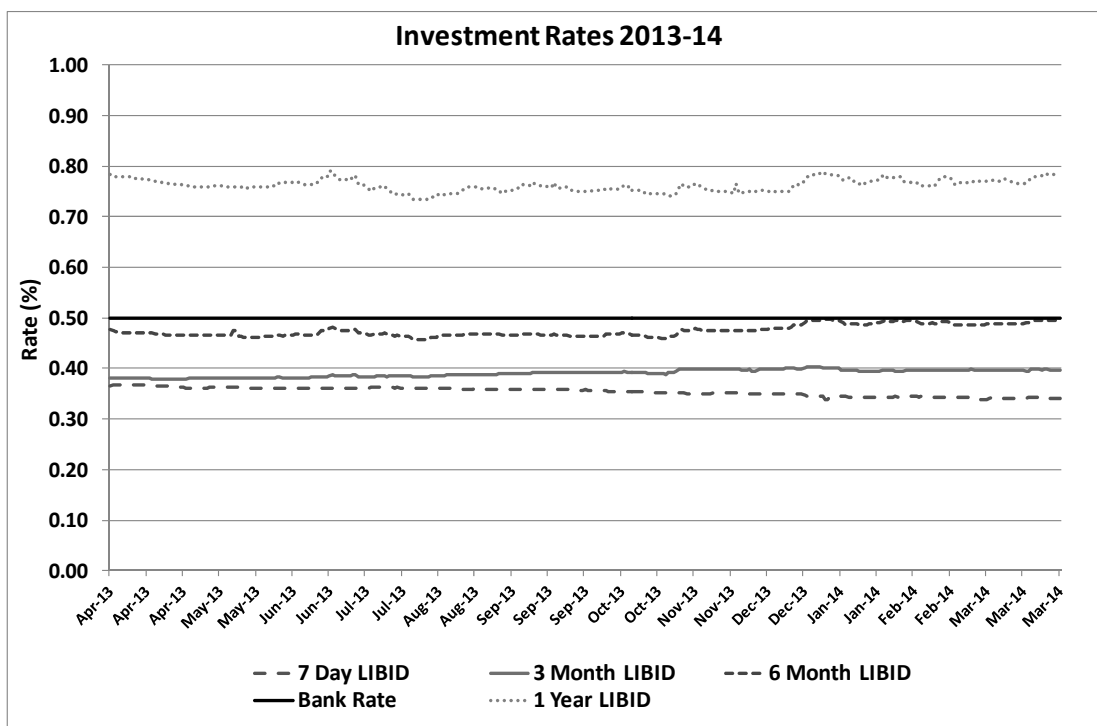


Figure 2: Investment Interest Rates 2013/14

9.0 INVESTMENT OUTTURN FOR 2013/14

9.1 **Investment Policy** – the Council’s investment policy is governed by CLG guidance, which was been implemented in the annual investment strategy approved by the Council on 19 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.).

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

9.2 **Investments held by the Council** - the Council maintained an average balance of £29,961,808 of internally managed funds. The internally managed funds earned an average rate of return of 1.025%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.354%. This performance, not only exceeded the benchmark but, also exceeded the target of 0.854% (benchmark plus 0.5%).

Annualised Returns 2013/14			
	Actual %	Excess over Benchmark %	Excess over Target %
Core Cash	1.06		
Cash Flow	0.78		
TOTAL	1.025	0.671	0.171
Benchmark	0.354		
Target	0.854		

Table 3: Rate of Return on Investments compared to Benchmark & Target 2013/14

- 9.3 Hambleton District Council has become part of a Capita Asset Management Benchmarking group and has performed very well compared to the other members. The Quarter 4 report showed Hambleton District Council had a weighted average rate of return of 0.91%. This compared to 85 other Non-Met Districts which had an average of 0.73%.
- 9.4 The Investment position can also be split between core investments and cash flow investments. Average balance on core investments was £25,820,932 which earned an average interest rate of 1.06% and interest of £274,905. Cash flow investments had an average investment balance of £4,140,877 which earned an average investment balance of 0.78% and interest of £32,222. Both these rates exceeded the 7 Day LIBID (London Inter Bank Bid) Rate at 0.354%.
- 9.5 In cash terms the actual returns in 2013/14 compared to the budget and benchmark are shown:-

<u>Budget</u> £	<u>Actual</u> £	<u>Benchmark</u> Return £	<u>Excess Over</u> <u>Benchmark</u> £
300,000	307,127	106,065	201,062

Table 4: Actual Return on Investments compared to Benchmark & Target 2013/14

- 9.6 The income provided in the revenue budget for 2013/14 for interest earned on investment balances compared to the budget has resulted in a surplus of £7,127.

10.0 PRUDENTIAL INDICATORS:

- 10.1 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 2013/14.

11.0 LINK TO COUNCIL PRIORITIES

- 11.1 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.

12.0 RISK ASSESSMENT:

- 12.1 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.

13.0 IMPLICATIONS:

- 13.1 Financial - the financial implications are dealt with in the body of the report.
- 13.2 Legal – 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

13.3 Equalities - the Capital Programme seeks to address key equality issues that affect the Council and the public. The main scheme that specifically addressed equalities in 2013/14 was the disabled facilities grant scheme.

14.0 RECOMMENDATIONS:

14.1 It is recommended that Cabinet approves and recommends to Council to:

- (1) note the 2013/14 capital outturn position of £2,158,305;
- (2) approve the requests for re-profiling the capital programme totalling £513,247 from 2013/14 programme to 2014/15;
- (3) Approve the under spend of £122,317 and over spend of £10,339 as detailed in the body of the report;
- (4) approve the two additional capital schemes in 2014/15 detailed in paragraph 2.11:
 - (i) Hambleton Leisure Centre Playing Field Fence - £10,000
 - (ii) Leeming Bar Business Park resurfacing entrance works - £8,000;
- (5) note the treasury management outturn position 2013/14; and
- (6) note the Prudential Indicators attached at Annex B.

JUSTIN IVES

Background papers: Annual Financial Report 2013/14
Outturn Position 13/14 Finance Ledger
Capital Monitoring Reports in 2013/14
Treasury Management Reports in 2013/14

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Responsibility Officer	Scheme	Approved Budget Q3	Approval at OUTTURN	Revised Budget	Total Expenditure	Carried Forward to 2014/15	Overspend - Taken from reserve	Underspend - (returned) to the reserve	Explanation
		£	£	£	£	£	£	£	
MJ	Housing, Planning and Waste Management								
MJ	Domestic Violence Refuge	120,928	120,928	120,928	120,928				Completed.
MJ	Purchase of bins and boxes for refuse and recycling	36,000	36,000	36,000	35,999	(80,379)			Completed.
MJ	Disabled Facilities Grants	198,273	44,354	242,627	162,248	(18,000)			Final position of first / from reserve estimated to be £80,379. Delay in work due to staffing issues with the Home Improvement Agency.
MJ	Depot wash bay	18,000		18,000	0				Delay - Roll Forward to 2014/15
MJ	Central depot external lighting improvements	8,000		8,000	8,061				Complete - slight overspend
MJ	Central depot door improvements	15,000		15,000	13,535			61	Completed - under spend
MJ	Vehicle workshop adaptations	15,000		15,000	20,178			5,178	Scheme Expenditure £15k, supported by Capital Reserve of £15k. Further £10k expenditure incurred directly to the third party. Scheme Complete - £5,177 overspend due to additional electrical, power supply and lighting works to meet requirements of contractors and current regulations.
MJ	Waste and Street Scene Clocking System		9,000	9,000	0	(9,000)			Project approved at Q1 and currently ongoing. Specification and different systems being reviewed. Project to roll forward into 2014/15.
MJ	Total Scheme Value Housing, Planning and Waste Management	411,201	53,354	464,555	360,948	(107,379)	5,238	(1,465)	
	Leisure and Health								
DG	Pool Filters BLC and SLC	90,271	90,271	90,271	54,630				Work completed in December has come under budget by £19,000. (At Q2 Cabinet approved an under spend of £15,279 in accordance with tender documents). Therefore at Q3, £15,000 is to be used to fund overspend on Bedale Leisure Centre improvement scheme and £4,000 on Stokesley Leisure Centre.
DG	Pool Tank Tiles BLC	47,039	47,039	47,039	38,230				Complete
DG	HLC Plant Controls & Air Handling	26,807	26,807	26,807	26,808				Complete, underspend already returned to the reserve at Q3 to be returned to the reserve at Q3
DG	Combined Heat & Power Unit - SLC, BLC and TSP	69,773	69,773	69,773	69,773				Work to be completed in March 2014
DG	Gym equipment refresh - all leisure centres	24,000	24,000	24,000	24,031				Complete
DG	Hambleton leisure centre dehumidifier	9,000	9,000	9,000	11,329				Scheme to be completed in 2013/14 - Work completed
DG	Hambleton and Stokesley leisure centres - changing room tiles	0	0	0	0				Budget moved to SLC improvement scheme - will be approved at Outturn
DG	Thirsk and Sowerby leisure centre improvement scheme	250,000	250,000	250,000	213,773	(36,227)			Work completed December 2013, awaiting invoices. Grant income of £155,734 received on 7 May 2014, therefore funding swap
DG	Bedale leisure centre improvement scheme	135,000	120,000	255,000	51,703	(203,297)			Work to be carried out in February 2014. Works forecast to be overspent by £15,000, due to issues discovered when removing the floor. This is suggested to be covered by the underspend from the Bedale Leisure Centre Pool Filters.
DG	Stokesley leisure centre improvement scheme	187,729	187,729	187,729	186,617				At Q2, Works to Flood lit, pitch of £120,000 were approved to be rolled forward into 2014/15 as matched funding of £80,000 to be received next year.
DG	Hambleton leisure centre PA system	8,000	8,000	8,000	8,086				Work carried out in December. Overspend of £4,000 due to unforeseen works to be carried out to the floor, to be funded from underspend on Pool Filtration Scheme. At Q2, overspend of £15,729 reported and also funded from Pool Filtration Scheme under spend.
DG	Hambleton LC Improvement Scheme	20,000	20,000	20,000	4,677	(15,323)			Work completed, small overspend
DG	Thirsk and Sowerby Sports Village		21,828	21,828	21,828				Preliminary work on development of Hambleton Leisure Centre, partial scheme in 2014/15 to be rolled into 2013/14 at quarter 1. Any unspent funds will be rolled forward to 2014/15.
DG	North Northallerton Development								Scheme approved December 2013 - funded by S106 monies. Scheme continues in 2014/15.
DG	Web Development Project								Money will not be spent in 2013-14 to roll forward to 2014-15, approved 18/03/14
DG	Total Scheme Value Leisure and Health Services	867,619	141,828	1,009,447	723,694	(242,636)	2,445	(45,563)	Funding b/fwd to 2013/14 - approved in Capital Programme 2014/15, approval at Outturn (earliest opportunity) to bring fwd into 2013/14
MR	Customer Services and Asset Management								
MR	Car Parks - Thirsk Cobbles	82,805	82,805	82,805	80,187	(2,618)			Complete - In addition £2,700 in relation to retention to be paid in 2014/15 requires approval at Q3 to be taken from the capital reserve
MR	Car Parks - Thirsk Cobbles	25,000	25,000	25,000	13,300	(11,700)			Works Commenced 17/03/14, Roll forward £11,700 to 2014/15
MR	Car Parks - Reinstatement Civic Centre and Applegarth	51,000	51,000	51,000	51,000				Complete
MR	Car Parking Charges - Directional Signs	6,475	6,475	6,475	6,475				Work Completed
MR	Adoptions - Northallerton Thurston Rd	129,490	129,490	129,490	129,490				Work Completed - no retention - adoption completed by NYCC
MR	Ellerbeek Court, Stokesley Adoption Works	73,645	73,645	73,645	76,191				Work Completed - no retention - adoption completed by NYCC
MR	Car Park tariff changes	14,639	14,639	14,639	14,749				additional works identified by NYCC
MR	Public lighting replacement	36,000	36,000	36,000	17,194	(18,816)			Work Complete, underspend returned to the capital reserve
MR	Public lighting energy reductions	100,000	100,000	100,000	68,912	(31,088)			Roll Forward £18,959 to 2014/15 to Northern Power underground works still outstanding
DG	CCTV Control Room Upgrade	8,308	8,308	8,308	4,473	(3,835)			Roll Forward £31,087.68 forward to 2014/15 as part of Hambleton not completed
DG	CCTV Camera Replacement	0	9,563	9,563	9,563				Works complete retention estimated at £3,835 to be paid July 14, roll forward £3,835 into 14/15. Scheme shows an underspend at Q3 to be returned to the reserve of £1,761
									Scheme complete - revenue funding

DG	CCTV control room upgrade - Wireless Network	0	71,000	0	71,000	0	0	(71,000)	0	Additional £5k approved at Q1. The Business Case still being progressed and updated cost proposals currently awaited. Scheme to be carried forward into 2014/15.
MR	Total Scheme Customer Services and Asset Management	527,382	607,925		607,925		471,524	(139,056)	2,656	
DG	Support Services and Economic Development	2,000	2,000		2,000		663	(1,337)		Complete - Retention required £1,337 CfWvd
DG	Learning Bar Food Enterprise Centre Improvement Works'	12,000	12,000		12,000		7,991	(3,975)		Project completed - underspend to be returned fund £3,900 is required in 2014/15 with the remaining £3,900 being spent in 2013/14. This will be funded from revenue on a 50% split between repairs & renewals and workspace management.
DG	Bedale Craft Yard Window		7,800		7,800		3,825	(7,000)		Scheme approved at Q1. Negotiations ongoing with third parties, scheme to roll forward into 2014/15
DG	Evolution Car Park Extension	7,000	7,000		7,000		0			New Scheme, to be approved at Outturn. Grant income provided to external organisations who apply and financed from external contribution
DG	Leader Scheme	0	19,394		19,394		19,394			All ICT projects taken together and £71,291 returned to the reserve - Project completed small overspend to be funded from the ICT Separation from Shared Service scheme underspend
Jl	Service Applications, Software, Servers	34,253	34,253		34,253		35,914	20,331		Complete
Jl	Service Applications, Hardware, Servers		0		0		19,270	0		Report to Cabinet June 2013 Q1 - funds to be returned to capital reserve
Jl	ICT Improvements / Separation from Shared Services	0	0		0		0			All ICT projects taken together and £71,291 returned to the reserve - Initial scheme extended to cover some committee chairs etc. Overspend of £3,100 to be funded from the ICT Separation from Shared Service scheme underspend
Jl	ICT Committee Admin - Software	17,900	17,900		17,900		12,500			Complete
Jl	ICT Committee Admin - Hardware		0		0		16,857			All ICT projects taken together and £71,291 returned to the reserve - Project completed - initial scheme expanded to include further software options, the overspend £5,335 to be covered by the ICT Separation from Shared Service scheme underspend
Jl	ICT Telephony Improvements - Hardware	11,265	11,265		11,265		16,600			All ICT projects taken together and £71,291 returned to the reserve - Final infrastructure configuration complete. Ongoing work for COA and ITrent will be completed in 2014/15 which will require £79,904 capital roll forward.
Jl	ICT Separation from Shared Services - Software	500,000	500,000		500,000		207,807			Complete
Jl	ICT Separation from Shared Services - Hardware		0		0		182,409			All ICT projects taken together and £71,291 returned to the reserve - Project completed - underspend to be returned to the capital reserve at Outturn
Jl	ICT Improvements - Software	50,000	50,000		50,000		36,363			Complete
Jl	ICT Improvements - Hardware		0		0		12,052			All ICT projects taken together and £71,291 returned to the reserve - Project completed - underspend to be returned to the capital reserve at Outturn
Jl	ICT Desktop Replacement - Hardware	25,000	25,000		25,000		27,355			Complete
Jl	Total Scheme Value Support Services and Economic Development Corporate Schemes	659,418	686,612		686,612		599,000	(12,312)	0	
Jl	Air conditioning - Legislative requirement	15,000	15,000		15,000		3,138	(11,862)		This scheme was originally in the area of Leisure and Health as the air conditioning is a legislative ongoing scheme in the Capital Programme each year at £15k. It was originally scheduled to complete this in the area of Leisure but it was more urgent to do the work in relation to the Civic Centre and ICT. Scheme under spent to be carried forward.
Jl	Total Scheme Value Corporate Schemes	15,000	15,000		15,000		3,138	(11,862)	0	
Jl	Total Capital Approvals 2013/14	2,480,600	2,785,539		2,785,539		2,158,305	(513,246)	10,339	

Prudential and Treasury Management Indicators

Annex B

During 2013/14, 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 approve 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	2012/13	2013/14	2013/14
Extract from budget and rent setting report	Actual	Original	Actual
	£'000	£'000	£'000
Capital Expenditure	1,128	1,907	2,158
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	£0.45	£5.28	£5.28

2. TREASURY MANAGEMENT INDICATORS	2012/13	2013/14	2013/14
	Actual	Original	Actual
	£'000	£'000	£'000
Authorised Limit for external debt -			
borrowing	£5,000	£5,000	£5,000
other long term liabilities	£1,000	£1,000	£1,000
TOTAL	£6,000	£6,000	£6,000
Operational Boundary for external debt -			
borrowing	£4,000	£4,000	£4,000
other long term liabilities	£600	£600	£600
TOTAL	£4,600	£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	£11,500	£11,500

Maturity structure of fixed rate borrowing during 2013/14	Upper limit	Lower limit
under 12 months	0%	0%
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%