HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
2 July 2019

Subject: **2018/19 CAPITAL OUTTURN & ANNUAL TREASURY MANAGEMENT REVIEW**
All Wards;
Portfolio Holder for Economic Development and Finance: Councillor P R Wilkinson

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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 2019 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 Capital expenditure is funded by revenue contributions, capital receipts, capital grants and contributions, reserves as well as borrowing. The use of funding 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 Council's capital programme final outturn position for 2018/19;
- Inform Cabinet of any capital under or over spend and seek approval for any resulting changes to the programme;
- Inform 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; and
- Inform Cabinet 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 2019;
- Reflect on current economic interest rate environment and the treasury management strategy set prior to the beginning of the 2018/19 financial year; and
- Inform Cabinet of the Borrowing and Investment Position for 2018/19.

(c) Prudential Indicators – Capital & Treasury Management:-
- Review the capital and treasury management indicators for 2018/19 outturn.

2.0 CAPITAL OUTTURN 2018/19, UNDER / OVER SPENDS AND RE-PROFILING OF CAPITAL SCHEMES:

2.1 The 2018/19 capital programme was approved by Cabinet on 6 February 2018 at 1,744,830. During the financial year, further capital schemes were approved, some schemes were removed and the revised Capital budget at Quarter 3 was £15,331,211.

2.2 The 2018/19 capital programme final outturn was £15,730,840, which resulted in a variance of £399,629. This comprised of four components;

(a) The first component of the variation is a request for re-profiling that represents scheme budgets that are currently approved in the capital programme which require moving from 2018/19 in line with a changing timetable of delivery for specific schemes. This totals £504,460;

(b) The second component of the variation is a request for re-profiling that represents scheme budgets that currently approved in future years of the 10 year Capital Programme, which require moving to 2018/19 to fund capital schemes in line with a changing timetable of delivery for specific schemes. This totals £58,870;

(c) The third component is a revision to the existing capital schemes budget where there is a request for increased funding to finalise the schemes. This totals £1,050,267; and

(d) The fourth component is an under spend where the scheme has completed for less than the original budget or the forecast funding is no longer required. This stands at £205,048.

2.3 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 2018/19.

Council Portfolio's during 2018/19	Revised Budget at Otr. 3	Total Expenditure	Variance	Budget re-profiled from 2018/19	Budget re-profiled to 2018/19	Over Spend - Request for additional funding	Under Spend - Funding no longer required
Leisure & Environment	1,863,826	1,866,066	2,240	(26,387)	3,261	25,704	(338)
Economy & Planning	1,454,600	1,405,294	(49,306)	(124,070)	55,609	23,865	(4,710)
Finance	368,024	202,250	(165,774)	(165,774)	0	0	0
Economic Development	180,578	142,111	(38,467)	(40,339)	0	1,872	0
Corporate Schemes	11,464,183	12,115,119	650,936	(147,890)	0	998,826	(200,000)
Total	**15,331,211**	**15,730,840**	**399,629**	**(504,460)**	**58,870**	**1,050,267**	**(205,048)**

Table 1: Capital programme outturn 2018/19

2.4 The capital programme has been monitored during 2018/19 on a quarterly basis and reported to Cabinet to ensure schemes stay on target and the capital programme expenditure is achieved.

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

2.6 Fifteen schemes are categorised in Table 1 as being over spent in 2018/19. These are the schemes that have been re-profiled to 2018/19 at £58,870 and overspends requested at £1,050,267. Approval is sought by Members in this report for the total of £1,109,137. The fifteen schemes can be analysed into 3 components as described below:

(a) Five schemes that started early re-profiled to 2018/19 were already approved in the 10 year capital programme for future years at £58,870. Overall in the 10 year capital programme, no additional funding is required.

(b) Ten schemes require additional funding totalling £1,050,267, of which three schemes are externally funded to the value of £1,020,562. Seven schemes are overspent by £29,705, however this will be covered by the under spends elsewhere in the 2018/19 capital programme.

2.7 Information on the eighteen schemes is detailed in Table 2 below, and further work in 2019/20 is occurring to ensure over spent schemes are kept below the 5% tolerance.

Capital Scheme	Expenditure at Outturn 31/03/2019	Variance	% Over	Over / External Funding / Brought Forward (B/Fwd)
Five Schemes re-profiled to 2018/19				
Stokesley Depot Welfare	78,261	3,261	N/A	B/Fwd 2018/19
Public Lighting replacement	71,548	1,770	N/A	B/Fwd 2018/19
LED Lighting replacement	327,167	17,399	N/A	B/Fwd 2018/19
Car Parking reinstatement	10,425	425	N/A	B/Fwd 2018/19
Disable Facilities Grant	389,629	36,015	N/A	External Funding
TOTAL	877,030	58,870		

Ten schemes require additional funding in the three categories below				
- Three Schemes with External Funding				
Thirsk & Sowerby Sports Village	1,469,842	15,179	N/A	External Funding
Northallerton Connections	6,557	6,557	N/A	External Funding
North Northallerton Bridge	998,826	998,826	N/A	External Funding
SUB TOTAL	2,475,225	1,020,562		
- Seven Schemes Over Spent - funded from underspend				
Stokesley Leisure centre – Gas boiler refurbishment	37,485	7,485	19.9%	Over
Thirsk Swimming Pool – Entrance roof	6,715	1,635	24.3%	Over
All Leisure Centres – Circulation Pump replacement	21,209	1,209	5.7%	Over
Forum – Capital Repairs	26,900	1,452	5.4%	Over
World of James Herriot Chimney repairs	14,052	6,052	43.1%	Over
Civic Centre increased car parking provision	89,358	10,000	11.2%	Over
Economic Development Fund (EDF) – Dalton Bridge	134,893	1,872	1.4%	Over
SUB TOTAL	330,612	29,705		
TOTAL ADDITIONAL FUNDING	1,807,011	1,050,267		

2.8 The under spend on the capital programme in 2018/19 is £205,048, which is no longer required, and will therefore be used to cover the overspend of £29,705 in 2018/19 as detailed in Annex A.

2.9 The schemes to be carried forward from Quarter 4 in to the 2019/20 capital programme total £504,460. These schemes are detailed in Annex A, are categorised as 'Roll forward' and approval is sought by Members in this report.

2.10 In addition, it was already recognised earlier than Quarter 4 that some schemes would not be completed in 2018/19, therefore these schemes of £11,726,028 were removed from the capital programme and are attached at Annex B. In order to provide a transparent position at outturn, these schemes also need to be approved to be carried forward into 2019/20.

2.11 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. At Quarter 1 2019/20, the schemes to be carried forward from 2018/19 will be combined to commence the consolidated Capital programme for monitoring in 2019/20. However, the Ground Source Heat Pump scheme of £1,913,200 will be returned to fund in Quarter 1 2019/20 since the scheme is no longer proceeding.

3.0 FUNDING THE CAPITAL PROGRAMME:

3.1 The capital programme expenditure of £15,730,840 has been funded as detailed below:

Capital programme 2018/19	**£**
Repairs & Renewals Fund	70,917
Computer Fund	196,760
Economic Development Fund	142,111
Council Tax Payers Reserve	433,693
Revenue Contributions	79,786
Grants	2,530,894
Capital Receipts	215,560
External Borrowing	11,500,000
Dalton BID Voluntary contributions	70,423
Dalton Bridge BID Funding	216,289
Internal Borrowing / Surplus Funds	274,407
Total Funding	**15,730,840**

3.2 The Dalton Bridge scheme in the capital programme 2018/19 was to be funded from the Business Improvement District at Dalton as well as additional voluntary contributions from the Dalton businesses. Due to timing, the collection of the contributions will partly occur after the capital scheme has been completed and therefore it is requested that the Council bank roll the funding until the full amount has been collected in the next three years. The amount to be bank rolled in 2018/19 is £274,407 for the Business Improvement District and £70,247 for the additional voluntary contributions.

3.3 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 2018/19 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 2018/19. 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 2018/19 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Cabinet 6 February 2018)

- a mid-year (minimum) treasury update report (Council 4 December 2018)
- 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 4 September 2018 and 12 February 2019 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 confirms that it has complied with the requirement under the Code to give prior 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 and Audit, Governance & Standards Committee. Member training on treasury management issues was undertaken during 2017/18 in order to support members' scrutiny role. Further treasury management training is scheduled to take place for the Members of the Audit, Governance & Standards Committee in 2019/20 following the District Elections in May 2019.

5.0 TREASURY POSITION AS AT 31 MARCH 2019

5.1 Table 3 below shows the treasury position of the Council at the beginning and the end of 2018/19:

Borrowing and Investment position at 31 March 2019	31-Mar-18 Principal £m	Rate %	31-Mar-19 Principal £m	Rate %
Fixed rate funding:				
Total Debt	1.20		12.70	2.39
Capital Financing Requirement (CFR)	26.40		38.24	
Over / (under) borrowing	(25.20)		(25.54)	
Short Term Borrowing	5.00	0.85	2.00	0.95
Total Investments	2.18	0.28	1.17	0.65

Table 3: Overall treasury position

5.2 The maturity structure of the debt portfolio can be seen in Table 4 below:

	31 March 2018 Actual £m	31 March 2019 Actual £m
Under 12 months	-	-
12 months and with 24 months	-	-
24 months and within 10 years	1.20	1.20
10 years and within 40 years	-	-
40 years and within 50 years	-	11.50
Total	**1.20**	**12.70**

Table 4: Maturity structure of debt portfolio

5.3 'Under borrowing' means the Council did not need to borrow up to the level of the estimated capital financing requirement and was able to fund capital expenditure from its own reserves and therefore not incurring interest payments.

5.4 Investment Portfolio – At 31 March 2018 and 31 March 2019 the Council's investment portfolio consisted of treasury investments in banks that were managed in house. The maturity structures of these treasury investments were held in call accounts and were recallable on demand and therefore classified as held up to one year

6.0 THE ECONOMY AND INTEREST RATES:

6.1 UK. After weak economic growth of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Quarter 4 came in at 1.4% y/y confirming that the UK was the third fastest growing country in the G7 in Quarter 4.

6.2 After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the Monetary Policy Committee until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the Monetary Policy Committee has been having increasing concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling only marginally to 3.4% in the three months to January.

6.3 British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.

6.4 As for Consumer Price Index inflation itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the Monetary Policy Committee's target of 2%.

6.5 The rise in wage inflation and fall in Consumer Price Index inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. .

6.6 Brexit. The Conservative minority government has so far, (8.4.19), been unable to muster a majority in the Commons over its Brexit deal. The European Union set a deadline of 12 April 2019 for the House of Commons to propose what form of Brexit it would support. If another form of Brexit, other than the proposed deal, does get a majority by April 12, then it is likely there will need to be a long delay to Brexit to allow time for negotiations with the EU. It appears unlikely that there would be a Commons majority which would support a disorderly Brexit or revoking article 50, (cancelling Brexit). There would also need to be a long delay if there is no majority for any form of Brexit. If that were to happen, then it increases the chances of a general election in 2019; this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

7.0 THE STRATEGY FOR 2018/19:

7.1 Investment strategy and control of interest rate risk

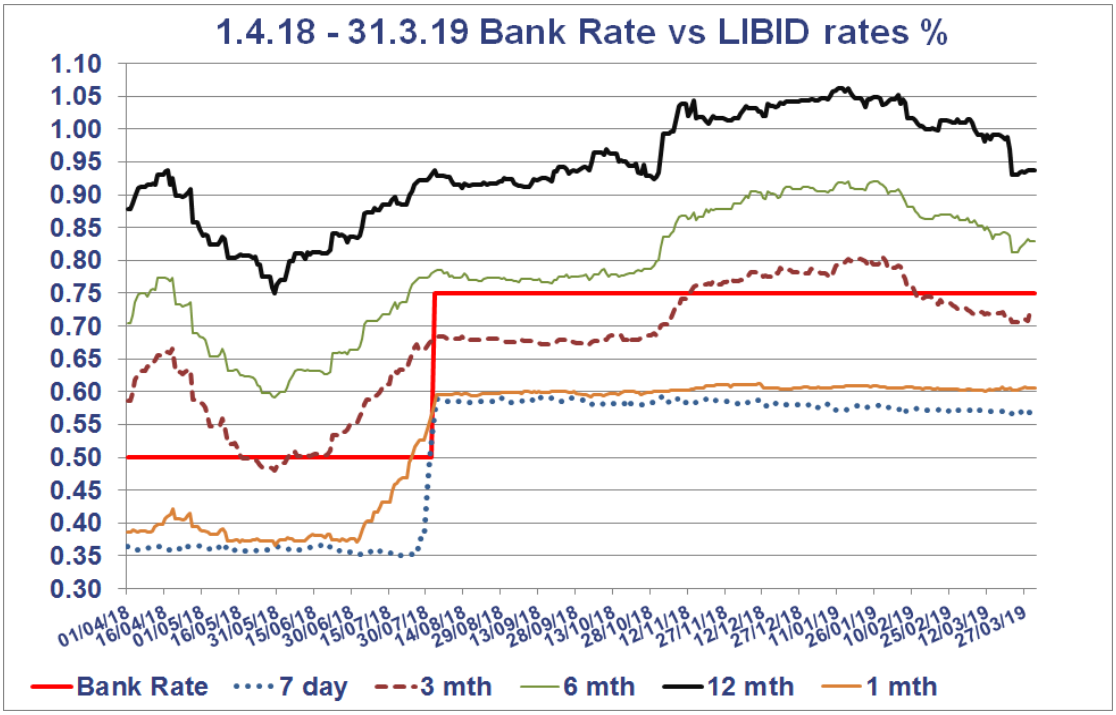

Table 5: Bank Rate vs LIBID Rate

7.2 Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that Bank Rate would rise from 0.50% to 0.75%. At the start of 2018/19, and after UK Gross Domestic Product growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the Monetary Policy Committee would raise Bank Rate in August. This duly happened at the Monetary Policy Committee meeting on 2 August 2018 and the bank rate increased to 0.75%.

7.3 It was not expected that the Monetary Policy Committee would raise Bank Rate again during 2018-19 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019.

7.4 Investment rates were little changed during August to October but rose sharply after the Monetary Policy Committee meeting of 1 November 2018 was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak Gross Domestic Product growth data after December 2018, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.

7.5 This Council does not have sufficient cash balances to be able to place deposits for more than a month so as to earn higher rates from longer deposits. However, when Bank Rate went up in August, its investment returns also improved from deposits for periods up to one month.

7.6 Continued uncertainty in the aftermath of the 2008 financial crisis has 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.

8.0 BORROWING STRATEGY AND CONTROL OF INTEREST RATE RISK:

8.1 During 2018/19, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

8.2 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.

8.3 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

8.4 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:

- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

8.5 Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2018/19 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Asset Services Interest Rate View 7.11.17														
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%
5yr PWLB Rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB Rate	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

Table 6: Link Asset Services Interest Rate Forecast November 2017

9.0 BORROWING REQUIREMENT AND DEBT:

9.1 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

	31 March 2018 Actual	31 March 2019 Budget	31 March 2019 Actual
Capital Financing Requirement (CFR) General Fund (£m)	26.4 m	36.2 m	38.17 m

Table 7: The Borrowing requirement and debt

10.0 BORROWING RATES IN 2018/19:

10.1 The Council had short term borrowing of £2,000,000 and long term borrowing of £12,700,000 at the year end of 2018/19. Since Public Works Loan Board rates peaked during October 2018, most PWLB rates have been on a general downward trend, though longer term rates did spike upwards again during December 2018, and, (apart from the 1 year rate), reached lows for the year at the end of March 2019.

11.0 BORROWING OUTTURN FOR 2018/19:

11.1 **Borrowing** – the following loans were outstanding at 31 March 2019. Two long-term loans were taken out during 2018/19:

Long Term Borrowing

Lender	Principal	Type	Interest Rate	Start Date	Maturity Date
PWLB	£1,200,000	Fixed interest rate	1.05%	05/09/2016	05/09/2021
PWLB	£9,000,000	Fixed interest rate	2.45%	07/03/2019	07/03/2069
PWLB	£2,500,000	Fixed interest rate	2.24%	25/03/2019	25/03/2064

Short Term Borrowing

Lender	Principal	Type	Interest Rate	Start Date	Maturity Date
North Yorkshire County Council	£2,000,000	Fixed interest rate	0.95%	19/03/2019	01/04/19

Table 8: Long term and short term borrowing 2018/19

11.2 The borrowing incurred by the Council reflects the historically low rates for borrowing and compares favourably with a borrowing target rate for 2018/19 set at 3.10%.

11.3 **Rescheduling of Borrowing** – Only the loan from 2016 could be rescheduled as it is the only loan that has existed for more than 1 year but no rescheduling was done during the year as the average 1% differential between Public Works Loan Board (PWLB) new borrowing rates and premature rates made rescheduling unviable and also rescheduling was not required.

11.4 **Repayment of long term borrowing** – The Council did not repay any long term borrowing during 2018/19.

11.5 **Repayment of short term borrowing** – on 1 May 2018 the Council repaid £5,000,000 at a rate of 0.85% using investment balances. There were no breakage costs.

12.0 INVESTMENT OUTTURN FOR 2018/19

12.1 Investment Policy – the Council's investment policy is governed by Ministry of Housing, Communities and Local Government guidance, which has been implemented in the annual investment strategy approved by the Cabinet on 6 February 2018.

12.2 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.).

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

12.4 Investments held by the Council - the Council maintained an average balance of £7,256,493 of internally managed funds. The internally managed funds earned an average rate of return of 0.63%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.51%. The actual investment income received in 2018/19 was £45,442 compared to a budget of £35,000.

12.5 The interest received from the loan to a local housing association, which is classed as capital expenditure, totalled £1,159,595. The amount of loan borrowed by the Housing Association from the Council as at 31 March 2019 was £35,000,000; this is the total amount of the agreement.

13.0 OTHER ISSUES:

13.1 International Financial Reporting Standard 9 (IFRS 9) is an accounting regulation that changed during 2018/19 which the Council needs to adhere. Part of this regulation is in relation to the management of risk for the valuation of different types of investment. At 31 March 2019 this Council only had a short term investment that was recallable on demand and therefore this type of investment does not attract significant risk to the Council.

13.2 In addition, the regulation has introduced the requirement to recognise any loss that occurs on loans that have not yet been realised i.e. investments in third parties. This is not material for treasury investments such as bank deposits but it has been considered for the loan to the third party housing association in 2018/19; where the Council undertakes quarterly due diligence reviews of the financial information provided by the housing associations to ensure the financial viability of repayment of the debt and that no expected loss will occur in the future.

13.3 It will also be a consideration in future years for other non-treasury management investments as detailed in the capital strategy for 2019/20. For example for the Commercial investment portfolio consideration will need to be given to the unrealised gains or losses (fair value movements) from investment funds. These unrealised gains or losses would now have to be expenditure or income that would be incurred by the Council; that said the Ministry for Housing Communities and Local Government has introduced a statutory override to the regulation for a period of 5 years from 1 April 2018 where unrealised gain or loss that occur will not be incurred by the Council as income or expenditure but be reversed out. This will be recorded in the Council's Statement of Accounts in an unusable reserve for transparency purposes.

14.0 PRUDENTIAL INDICATORS:

14.1 The Prudential Indicators which control the borrowing and treasury management position of the Council are attached at Annex C. None of the indicators were breached during 2018/19.

15.0 LINKS TO THE COUNCIL PRIORITIES:

15.1 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.

16.0 RISK ASSESSMENT:

16.1 The capital programme is regularly monitored as part of the corporate monitoring process on a quarterly basis. In addition to this the Programme Management Board meets regularly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are minimised.

17.0 FINANCIAL IMPLICATIONS:

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

18.0 LEGAL IMPLICATIONS:

18.1 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

19.0 EQUALITY/DIVERSITY ISSUES:

19.1 Equalities – the capital programme seeks to address key issues that affect the Council and the public. The main schemes that specifically addressed equalities in 2018/19 were the disabled facilities grant scheme, the disable access to the Civic centre scheme and the pool access scheme for the four leisure centres.

20.0 RECOMMENDATIONS:

20.1 That Cabinet approves and recommends to Council:

(a) note the 2018/19 capital outturn position of £15,730,840 at paragraph 2.3 and attached at Annex A;

(b) approve the over spend of £1,050,267 at paragraph 2.6 and under spend of £205,048;

(c) approve the requests at paragraph 2.9 for re-profiling the capital schemes totalling £504,460 from 2018/19 programme to 2019/20 and at paragraph 2.6 for re-profiling £58,870 from 2019/20 to 2018/19;

(d) approve the request at paragraph 2.10 for re-profiling the capital schemes that changed during the year totalling £11,726,028 from 2018/19 programme to 2019/20 as attached in Annex B;

(e) approve the request to enable the Council to bank roll the timing difference for the Dalton Bridge BID contributions and additional voluntary contributions in paragraph 3.2 of £274,407 and £70,247;

(f) note the treasury management outturn position 2018/19 detailed at paragraph 12.4; and

(g) note the Prudential Indicators attached at Annex C.

LOUISE BRANFORD-WHITE
DIRECTOR OF FINANCE (S151 OFFICER)

Background papers: Annual Financial Report 2018/19
Outturn Position 2018/19 Finance Ledger
Capital Monitoring Reports in 2018/19
Treasury Management Reports in 2018/19

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