

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
7 July 2015

Subject: 2014/15 CAPITAL OUTFURN AND ANNUAL TREASURY MANAGEMENT REVIEW

**All Wards
Cabinet Member 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 2015 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 receipts, capital grants and contributions. 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 Council's Capital Programme final outturn position for 2014/15;
 - 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 2015/16 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 2015;
 - Reflect on current economic interest rate environment and the Treasury Management Strategy set prior to the beginning of the 2014/15 financial year.
 - Inform Cabinet of the Borrowing and Investment Position for 2014/15.
- (c) Prudential Indicators – Capital & Treasury Management
- Review the capital and treasury management indicators for 2014/15 outturn

2.0 CAPITAL OUTTURN 14/15, UNDER OVER SPENDS AND RE-PROFILING OF CAPITAL SCHEMES:

2.1 The 2014/15 Capital Programme was approved by Cabinet on 11 February 2014 and further updated at Cabinet on 18 March 2014 at £2,126,350. During the financial year, further capital schemes were approved, some schemes were removed and the revised Capital budget at Quarter 3 was £2,318,941.

2.2 In the last quarter of the financial year, it was recognised that further capital expenditure would be required. At 2 December 2014 Cabinet, the Economic Strategy was approved and this resulted in a further £1,684,650 capital expenditure being approved in 2014/15. The additional schemes were funded from the economic development fund or external funding sources.

2.3 Therefore, the 2014/15 Capital Programme budget was revised to £4,003,591 and the final outturn was £1,620,795. This resulted in a variance of £2,382,796, which is comprised of three 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 £6,215.
- (b) The second component of the variation is a request for re-profiling that represents scheme 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 scheme. This totals £2,373,629.
- (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 £27,717.

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 2014/15. 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 2015/16	Over Spend - Request for additional funding	Under Spend - Funding no longer required
Environmental & Planning Services	340,029	334,812	(5,217)	(2,288)	1,611	(4,540)
Customer & Leisure Services	580,052	418,585	(161,467)	(159,857)	481	(2,092)
Support Services	1,398,860	808,376	(590,484)	(585,856)	4,123	(8,750)
Economic Development Fund	1,684,650	59,022	(1,625,628)	(1,625,628)	0	0
Total	4,003,591	1,620,795	(2,382,796)	(2,373,629)	6,215	(15,382)

Table 1: Capital programme outturn 2014/15

- 2.5 The Capital Programme has been monitored during 2014/15 on a quarterly basis and reported to Cabinet. The total Capital Programme expenditure for 2014/15 compared to the revised budgeted Capital Programme was 40%. This was due to the Economic Development Fund Strategy schemes being approved later in the year and the purchase of the prison not coming to fruition as it was outside the control of the Council before the end of the financial year.
- 2.6 The Capital Programme expenditure excluding the Economic Development Fund Strategy Schemes at year end totalled £1,620,795, this represented 67% against the revised budgeted Capital Programme. The expenditure against budget would have been higher at 81% but for resources being redirected to the Economic Development Fund Strategy Schemes and the purchase of the prison. The four schemes that were delayed and carried forward into 2015/16 as a result of redirection of resources were:
- (a) Highways Adoptions – Thirsk phases 2 and 3
 - (b) Car Park Reinstatements
 - (c) Electric Bollards – Thirsk & Northallerton
 - (d) CCTV Wireless Control room upgrade
- 2.7 The Capital Programme and supporting information setting out the variances and the requirements for re-profiling schemes into 2015/16 are detailed in Annex 'A'.
- 2.8 Six schemes overspent in 2014/15 totalling £6,215 and required additional funding from the Capital Receipts Reserve or Repairs & Renewals Fund. Approval is sought by Members in this report and the schemes are detailed below.
- 2.9 Three schemes overspent by minimal amounts, less than 1.3% and totalled £1,009. Further information can be found in Annex 'A'. With regards to the further three schemes, overspend was as follows:
- (a) Waste & Street Scene Clocking System – £1,083 at 12% - due to additional works required to ensure the system would work effectively.
 - (b) Civic Centre Generator - £3128 at 7% - due to additional health & safety requirements
 - (c) Thirsk Market Place enhancements - £995 at 10% - where further tree works were required.
- 2.10 The underspend on the Capital Programme in 2014/15 is £15,382; these funds are no longer required and are returned to the Capital Receipts Reserve.
- 2.11 The schemes to be carried forward into the 2015/16 Capital Programme total £2,373,629. This is £748,001 of schemes approved at Quarter 3 with the majority of the carry forward £1,625,628 relating to the schemes in the Economic Development Fund and specifically the purchase of the prison.
- 2.13 In addition, it was already recognised earlier than Quarter 3 that some schemes would not be completed in 2014/15 and therefore these schemes of £365,558 were removed from the Capital Programme. In order to provide a transparent position at outturn, these schemes also need to be approved to be carried forward into 2015/16 and include:
- (a) ICT Information Security/Compliance £12,390
 - (b) Hambleton Leisure Centre Improvement Scheme £22,168
 - (c) Leisure Equipment Lease Buy £200,000
 - (d) Hambleton All Weather Pitch Refurbishment £131,000

2.14 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 2015/16, the schemes to be carried forward from 2014/15 and the Capital Programme approved at Cabinet on 18 March 2014 will be combined to commence the consolidated Capital Programme for monitoring in 2015/16.

3.0 FUNDING THE CAPITAL PROGRAMME:

3.1 The 2014/15 Capital Programme expenditure of £1,620,795 has been funded as detailed in table 2 below:

Capital programme 2015/16	£
Repairs & Renewals Fund	519,691
Computer Fund	224,807
Economic Development Fund	85,177
S 106 Contributions	392,164
Grants	378,084
Capital Receipts	<u>20,872</u>
Total Funding	<u>1,620,795</u>

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 REASURY MANAGEMENT POSITION 2014/15 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 2014/15. 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 2014/15 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual Treasury strategy in advance of the year (Cabinet 11 February 2015)
- a mid-year (minimum) Treasury update report (Council 2 December 2014)
- 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 2 September 2014 and 10 February 2015 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.

- 4.5 Throughout 2014/15, the Council's Treasury position (excluding finance leases) was to continue to be debt free. No borrowing has been taken prior to or during 2014/15. With regards to finance leases, the position at the beginning of the financial year was zero and no further finance leases have been taken in the year.
- 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 2015:-

Table 1: Borrowing and Investment position at 31 March 2015	31-Mar-15	Rate	31-Mar-14	Rate
	£m	%	£m	%
Capital Financing Requirement	0		0	
Borrowing	0		0	
Investments	24.11	0.77	22.97	1.03

Table 2: Borrowing and Investment position at 31 March 2015

5.0 THE ECONOMY AND INTEREST RATES:

- 5.1 The original market expectation at the beginning of 2014/15 was for the first increase in Bank Base Rate to occur in Quarter 1 2015 as the unemployment rate had fallen much faster than expected through the Bank of England's initial forward guidance target of 7%. In May 2014, however, the Bank revised its forward guidance. A combination of very weak pay rises and inflation above the rate of pay rises meant that consumer disposable income was still being eroded and in August the Bank halved its forecast for pay inflation in 2014 from 2.5% to 1.25%.
- 5.2 Expectations for the first increase in Bank Base Rate therefore started to recede as growth was still heavily dependent on buoyant consumer demand. During the second half of 2014 financial markets were caught out by a halving of the oil price and the collapse of the peg between the Swiss franc and the euro. Fears also increased considerably that the European Central Bank (ECB) was going to do too little too late to ward off the threat of deflation and recession in the Eurozone. In mid-October, financial markets had a major panic for about a week. By the end of 2014, it was clear that inflation in the UK was going to head towards zero in 2015 and possibly even turn negative. In turn, this made it clear that the Monetary Policy Committee (MPC) would have great difficulty in starting to raise Bank Rate in 2015 while inflation was around zero and so market expectations for the first increase receded back to around Quarter 3 of 2016.
- 5.3 Gilt yields were on a falling trend for much of the last eight months of 2014/15 but were then pulled in different directions by increasing fears after the anti-austerity parties won power in Greece in January; developments since then have increased fears that Greece could be heading for an exit from the euro. While the direct effects of this would be manageable by the European Union and European Central Bank (ECB), it is very hard to quantify quite what the potential knock on effects would be on other countries in the Eurozone once the so called impossibility of a country leaving the Eurozone had been disproved.
- 5.4 Another downward pressure on gilt yields was the announcement in January 2015 that the European Central Bank (ECB) would start a major programme of quantitative easing, purchasing Eurozone Government and other debt in March 2015. On the other hand, strong growth in the US caused an increase in confidence that the US was well on the way to making a full recovery from the financial crash and would be the first country to start

increasing its central rate, probably by the end of 2015. The UK would be closely following it due to strong growth over both 2013 and 2014 and good prospects for a continuation into 2015 and beyond. However, there was also an increase in concerns around political risk from the General Election due in May 2015.

6.0 THE STRATEGY FOR 2014/15:

- 6.1 The expectation for interest rates within the Strategy for 2014/15 anticipated low but rising Bank Base Rate (starting in Quarter 1 of 2015), with gradual rises in medium and longer term fixed borrowing rates during 2014/15. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.
- 6.2 Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach, whereby investments have continued to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
- 6.3 The actual movement in gilt yields during the year has meant that Public Works Loan Board (PWLB) rates have seen little overall change during the first four months of the year but there was then a downward trend for the rest of the year, with a partial reversal during February.
- 6.4 The strategy for the investment of surplus funds has been to ensure the security of funds is of prime importance, with advantage being taken of volatile interest rates to gain increased return in accordance with the creditworthiness investment policy if opportunities arose. The target return rate on investments in 2014/15 was 0.5%.

7.0 BORROWING RATES IN 2014/15:

7.1 The Council remained debt free in 2014/15. 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.

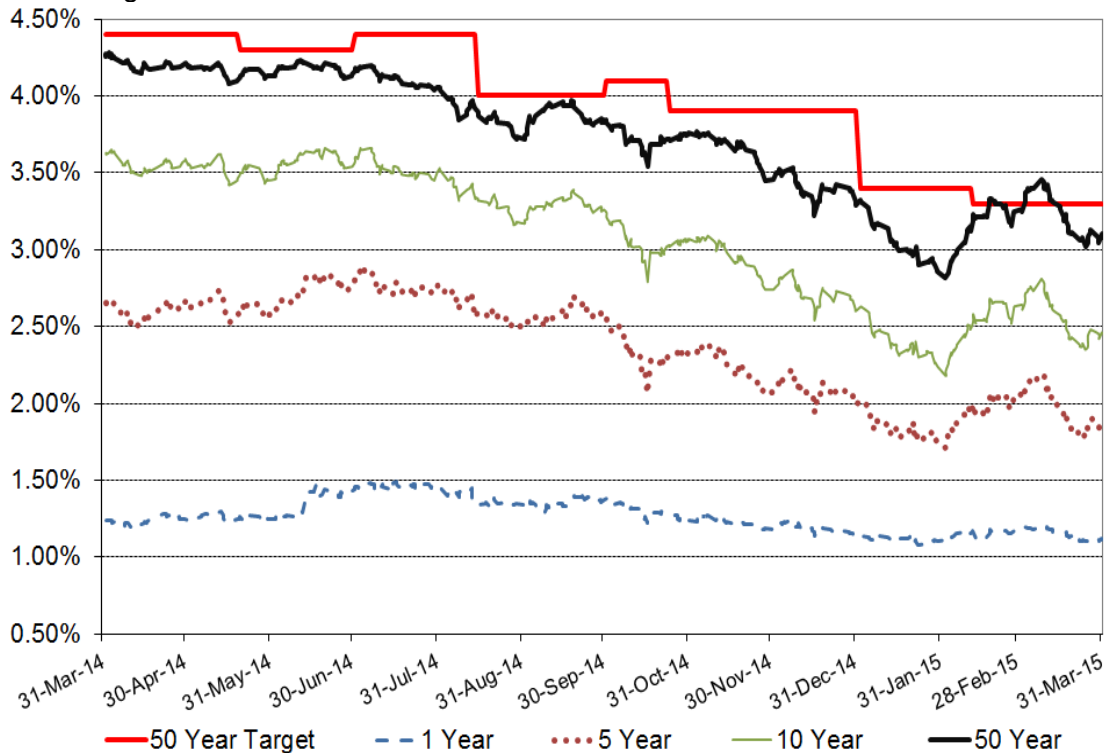


Figure 1: Borrowing Rates 1 to 50 years 2014/15

- 7.2 **Treasury Borrowing** – the Council remains debt free and undertook no external borrowing for cash flow purposes or capital financing purposes during 2014/15.
- 7.3 **Rescheduling of Borrowing** – the Council has no debt and therefore undertook no rescheduling of debt during 2014/15.
- 7.4 **Repayment of borrowing** – the Council has no external loans and therefore no repayments were necessary.

8.0 **INVESTMENT RATES IN 2014/15:**

- 8.1 Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for six years. Market expectations as to the timing of the start of monetary tightening started the year at Quarter 1 2015 but then moved back to around Quarter 3 2016 by the end of the year. Deposit rates remained depressed during the whole of the year, primarily due to the effects of the Funding for Lending Scheme.

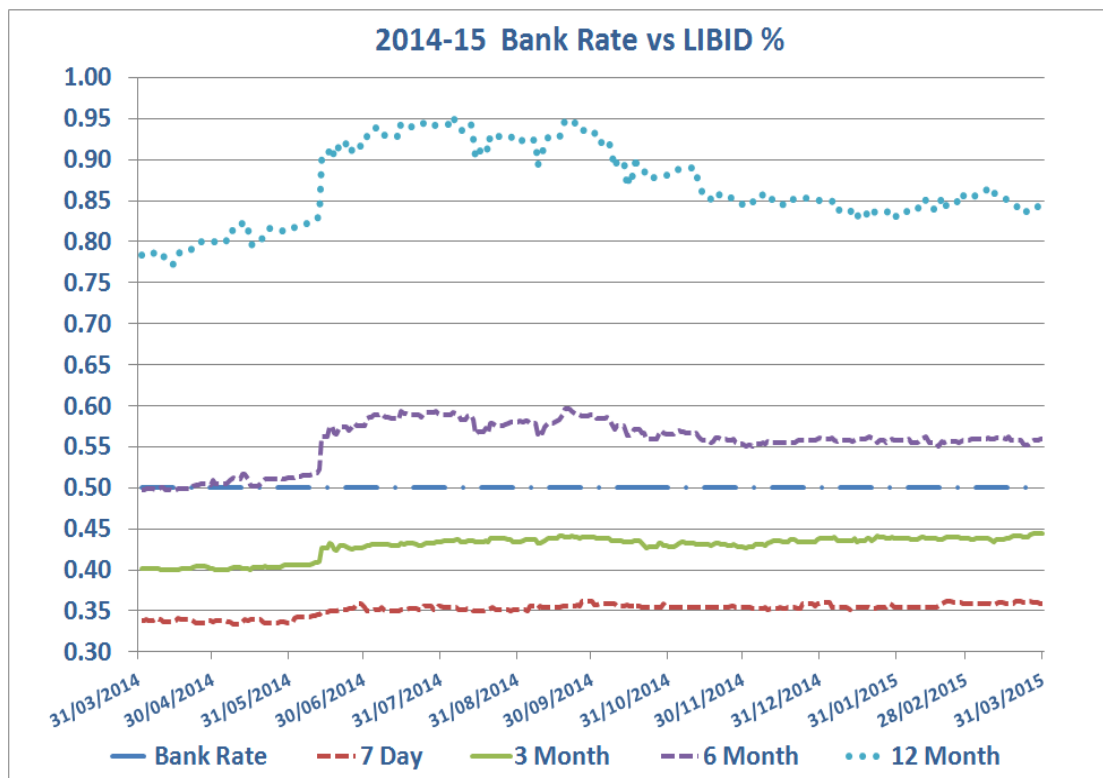


Figure 2: Investment Interest Rates 2014/15

9.0 **INVESTMENT OUTTURN FOR 2014/15**

- 9.1 **Investment Policy** – the Council's investment policy is governed by the Department of Communities & Local Government guidance, which was been implemented in the Annual Investment Strategy approved by the Cabinet on 11 March 2014. 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 £30,537,109 of internally managed funds. The internally managed funds earned an average rate of return of 0.77%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.35%. This performance exceeded the benchmark.

Annualised Returns 2014/15			
	Actual %	Excess over Benchmark %	Excess over Target %
Core Cash	0.83		
Cash Flow	0.52		
TOTAL	0.77	0.42	0.27
Benchmark	0.35		
Target	0.5		

Table 3: Rate of Return on Investments compared to Benchmark & Target 2014/15

- 9.3 Hambleton District Council is a member of the Capita Asset Management Benchmarking Group and has performed well compared to the other members. The Quarter 4 report showed Hambleton District Council had a weighted average rate of return of 0.77%. This compared to 87 other Non-Met Districts which had an average of 0.72%.
- 9.4 The Investment position can also be split between core investments and cash flow investments. Average balance on core investments was £24,943,780 which earned an average interest rate of 0.83% and interest of £206,805. Cash flow investments had an average investment balance of £5,593,329 which earned an average investment balance of 0.52% and interest of £29,206. Both these rates exceeded the 7-Day LIBID (London Inter Bank Bid) Rate at 0.35%.
- 9.5 In cash terms the actual returns in 2014/15 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> £
250,950	236,011	128,256	152,686

Table 4: Actual Return on Investments compared to Benchmark & Target 2014/15

- 9.6 The income provided in the revenue budget for 2014/15 for interest earned on investment balances compared to the budget has resulted in a small deficit of £14,939. This was due to lower than expected interest rates being available for investments throughout the year as described in paragraph 5.
- 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 2014/15.

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 2014/15 was the Disabled Facilities Grant Scheme.

14.0 RECOMMENDATIONS:

14.1 That Cabinet approves and recommends to Council to:

- (1) note the 2014/15 capital outturn position of £1,620,795 at paragraph 2.3 and attached at Annex 'A';
- (2) approve the under spend of £27,717 at paragraph 2.10 and over spend of £6,215 at paragraph 2.8;
- (3) Approve the requests at paragraph 2.12 for re-profiling the capital schemes totalling £2,373,629 from 2014/15 programme to 2015/16;
- (4) approve the requests at paragraph 2.13 for re-profiling the additional capital schemes totalling £365,658 from 2014/15 programme to 2015/16;
- (5) note the Treasury Management outturn position 2014/15 detailed at paragraph 9.2
- (6) note the Prudential Indicators attached at Annex 'B'.

JUSTIN IVES

Background papers: Annual Financial Report 2014/15; Outturn Position 14/15 Finance Ledger
Capital Monitoring Reports in 2014/15;
Treasury Management Reports in 2014/15

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Capital Programme 2014/15

Annex A

Title:	Original Approved Expenditure 14/15	Approved Budget for OUTTURN 2014/15	Third Party Contribution - OUTTURN	Cost to the Council	Expenditure at Outturn	Variance	Change in Funding Taken/(Returned) to Capital Reserve Q4	Over/Under/C/Fwd/Target
	£	£	£	£	£	£	£	£
Environmental & Planning Services								
Purchase of bins and boxes for refuse and recycling	36,000	36,000		36,000	36,467	467	467	Over
Disabled Facilities Grants	150,000	230,379	166,276	64,103	229,278	(1,101)	(1,101)	C/Fwd
Depot - Wash Bay		26,000		26,000	26,061	61	61	Over
Waste & Street Scene Clocking System		9,000		9,000	10,083	1,083	1,083	Over
Central depot external lighting improvements	20,000	20,000		20,000	15,460	(4,540)	(4,540)	Under
Central Depot - Security Fencing	8,000	8,000		8,000	6,813	(1,187)	(1,187)	C/Fwd
Idox Performance Management Software - Planning		10,650		10,650	10,650	0		Target
Total Scheme Value Environmental & Planning	214,000	340,029	166,276	173,753	334,812	(5,217)	(5,217)	
Customer & Leisure Services								
Thirsk and Sowerby leisure centre improvement scheme		36,227		36,227	10,258	(25,969)	(25,969)	C/Fwd B/Fwd
Thirsk & Sowerby Sports Village	0	50,000	57,027	(7,027)	63,558	13,558	13,558	15/16
Stokesley Leisure Centre improvement scheme	0	4,349		4,349	4,830	481	481	Over
Bedale Leisure centre improvement scheme		203,296	60,154	143,142	191,088	(12,208)	(12,208)	C/Fwd Target
CCTV Control Room Upgrade		3,835		3,835	3,836	1		Target
CCTV control room upgrade - Wireless Network		71,000		71,000	0	(71,000)	(71,000)	C/Fwd
Thirsk New TIC		1,337		1,337	0	(1,337)	(1,337)	C/Fwd
Bedale Craft Yard Window		3,975		3,975	3,975	0		Target
Evolution Car Park Extension		5,021		5,021	5,021	0		Target
Workspaces - roller shutter doors	0	9,312		9,312	9,312	0		Target
Car Park Creation Leeming Bar LBFEC		36,700		36,700	559	(36,141)	(36,141)	C/Fwd
17 Market Place Bird Netting		6,000		6,000	0	(6,000)	(6,000)	C/Fwd
Leisure Equipment Lease Buy	200,000	0		0	0	0		C/Fwd
Customer Services Web/Intranet Development	100,000	120,000		120,000	104,010	(15,990)	(15,990)	C/Fwd
Hambleton All Weather Pitch Refurbishment	131,000	0		0	0	0		C/Fwd
Stokesley All Weather Pitch Refurbishment	11,000	11,000		11,000	1,075	(9,925)	(9,925)	C/Fwd
Hambleton Leisure Centre Improvement Scheme	20,000	8,000		8,000	13,155	5,155	5,155	B/Fwd 15/16
Hambleton Leisure Centre Fence	0	10,000		10,000	7,908	(2,092)	(2,092)	Under
Total Scheme Value Customer & Leisure Services	462,000	580,052	117,181	462,871	418,585	(161,467)	(161,468)	

Support Services							
Air conditioning - Legislative requirement Corporate	15,000	26,862		26,862	6,071	(20,791)	(20,791) C/Fwd
Public lighting energy reductions		31,088		31,088	20,028	(11,060)	(11,060) C/Fwd
Public lighting replacement	51,000	69,816		69,816	22,102	(47,714)	(47,714) C/Fwd
Civic Centre - Carpet Replacement	10,000	17,000		17,000	16,506	(494)	(494) Under Target
Civic Centre - Internal Painting	6,000	6,000		6,000	5,999	(1)	
Civic Centre - Window Replacements	10,000	10,000		10,000	5,505	(4,495)	(4,495) C/Fwd
Civic Centre - Backup Generator	40,000	40,000		40,000	43,128	3,128	3,128 Over
ICT Improvements	187,030	154,860		154,860	78,903	(75,957)	(75,957) C/Fwd
All Leisure Centres - Digital Transaction Software	24,000	24,000		24,000	18,099	(5,901)	(5,901) C/Fwd
ICT Leisure Improvements	105,670	105,670		105,670	36,110	(69,560)	(69,560) C/Fwd
ICT Information Security/Compliance	6,300	1,000		1,000	525	(475)	(475) C/Fwd
ICT Customer Excellence	76,000	56,000		56,000	5,260	(50,740)	(50,740) C/Fwd
ICT Finance system split from Richmondshire District Council	0	60,000		60,000	55,322	(4,678)	(4,678) Under
Car Park Restatements	45,000	45,000		45,000	66	(44,934)	(44,934) C/Fwd
Car Parks - Thirsk Cobbles	75,000	95,754		95,754	93,028	(2,726)	(2,726) C/Fwd
Bedale Gateway Car Park	160,000	0		0	0	0	0 C/Fwd
Adoptions - Thirsk Phases 2 & 3	200,000	200,000		200,000	832	(199,168)	(199,168) C/Fwd
Adoptions - Electric Bollards - Thirsk & Northallerton	40,000	40,000		40,000	0	(40,000)	(40,000) C/Fwd
Thirsk Market Place Central Area Enhancement	0	10,000		10,000	10,995	995	995 Over
Structural Repair to Civic Centre Roof		6,460		6,460	2,882	(3,578)	(3,578) Under
Revenue Repairs & Renewals		399,350		399,350	387,014	(12,336)	(12,335) C/Fwd
Total Scheme Value Support Services	1,051,000	1,398,860	0	1,398,860	808,376	(590,484)	(590,483)
Economic Development Fund							
WIFI Market Towns	0	5,000		5,000	885	(4,115)	(4,115) C/Fwd
North Northallerton Recreation Element	0	8,150	8,150	0	8,150	0	0 Target
ED Improvement Infrastructure Central Northallerton	0	1,476,500		1,476,500	19,840	(1,456,660)	(1,456,660) C/Fwd
ED Improvement Infrastructure Dalton Bridge	0	195,000	30,000	165,000	30,147	(164,853)	(164,853) C/Fwd
		0		0			
		0		0			
Total Scheme Economic Development	0	1,684,650	38,150	1,646,500	59,022	(1,625,628)	(1,625,628)
Total Capital Approvals 2014/15	1,727,000	4,003,591	321,607	3,681,984	1,620,795	(2,382,796)	(2,382,796)

PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

During 2014/15, 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	2013/14	2014/15	2014/15
Extract from budget and rent setting report	Actual	Original	Actual
	£'000	£'000	£'000
Capital Expenditure	2,158	1,985	1,620
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	£5.28	£0.22	£0.37

2. TREASURY MANAGEMENT INDICATORS	2013/14	2014/15	2014/15
	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 investments rates	£5,000	90%	90%
Upper limit for variable rate exposure			
Net principal re variable investments rates	Nil	50%	50%
Upper limit for total principal sums invested for over 364 days (per maturity date)	£11,500	£10,000	£10,000

Maturity structure of fixed rate borrowing during 2014/15	Upper limit	Lower limit
under 12 months	100%	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%