

MEETING:	Council
MEETING DATE:	17 July 2015
TITLE OF REPORT:	Treasury management outturn 2014/15
REPORT BY:	Director of resources

Classification

Open

Key Decision

This is not an executive decision.

Wards Affected

County-wide

Purpose

To approve the treasury management outturn for 2014/15.

Recommendation

THAT: the treasury management outturn report at appendix 1 for 2014/15 be approved.

Alternative Options

There are no alternative options as the report provides factual outturn information.

Reasons for Recommendations

- 1 To approve the treasury management outturn for 2014/15, Cabinet considered the outturn report (as at appendix 1) on 11 June and recommended it to Council for approval.

Key Considerations

- 2 Treasury management underspent by £0.9m in 2014/15 due to:
 - a. anticipated capital expenditure in 2014/15 being deferred into 2015/16,
 - b. short-term variable interest rates being lower than expected,

Further information on the subject of this report is available from
Peter Robinson, director of resources (01432) 383519

- c. long-term fixed rates from the public works loan board being lower than forecast, and
- d. loans secured later in the year than budgeted.

3 Loan finance is secured to support capital investment. External borrowing totalled £165m as at 31.03.15. This includes historical borrowing where central government provided funding allocations, before the introduction of prudential borrowing in 2004/05. This supported borrowing balance totalled £116m as at 31.03.15. The remaining borrowing requirement has funded capital investment that reduces ongoing revenue costs; spend to save projects, including:

	£m
Road investment	15
Energy from waste plant	6
Leisure pool and centre improvements	7
Hereford Enterprise Zone	3
LED street lighting	2
Wheeled bins	1
Total	34

4 Prudential indicators provide a detailed analysis of the outturn report in line with the CIPFA code of practice on treasury management. The council has complied with its prudential indicators for 2014/15 approved by Council on 7 February 2014 as part of the treasury management strategy.

Community Impact

5 The recommendations do not have a direct community impact however the effective management of resources enables the council to direct those resources to support corporate plan priorities.

Equality and Human Rights

6 The recommendations do not have any equality implications.

Financial Implications

7 Treasury management includes debt repayment and interest charges. Using debt to finance capital investment is subject to separate approval by Council and is generally recommended when the cost of borrowing can be funded from the revenue savings generated by the capital investment.

Legal Implications

8 None.

Risk Management

9 The Council is required to approve the treasury management outturn position under

financial reporting requirements with monitoring reported to Cabinet throughout the year.

Consultees

10 None

Appendices

Appendix 1 Annual Treasury Management Report 2014/15

Background Papers

- None identified.