

Meeting:	Council
Meeting date:	15 July 2016
Title of report:	Treasury management outturn 2015/16
Report by:	Leader of the council

Classification

Open

Key decision

This is not an executive decision.

Wards affected

County-wide

Purpose

To approve the treasury management outturn for 2015/16.

Recommendation

THAT:

(a) the treasury management outturn (at appendix 1) for 2015/16 be approved.

Alternative options

1. There are no alternative options as the report provides factual outturn information, and approval of the outturn is reserved to Council.

Reasons for recommendations

2. To approve the treasury management outturn for 2015/16, cabinet considered the outturn on 16 June and recommended it to Council for approval.

Key considerations

3. The treasury management budget for 2015/16 overspent overall by £0.1m due to a combination of the following:
 - An additional voluntary minimum revenue provision contribution to repay debt balances early, saving on future interest costs;
 - Less revenue interest costs being capitalised due to less capital scheme spend being funded by borrowing;
 - Partially mitigated by short-term variable interest rates being lower than expected resulting in an interest cost saving.

4. The external borrowing as at 31 March 2016 totalled £196.5m, an increase of £31.9m since 1 April 2015 due to capital investment in the following:
 - Energy from waste plant loan, £17.4m, to be financed by future loan repayments
 - Road investment of £5.2m, to be financed by revenue maintenance cost savings
 - LED street lighting investment of £4.0m, to be financed by energy cost savings
 - Investment in leisure centres of £2.8m, to be financed by rental charges
 - Purchase of three elms trading estate, £1.8m, to be financed by rental income
5. Appendix 1 provides the outturn report and includes a detailed analysis in line with the CIPFA code of practice on treasury management.
6. The council has complied with its prudential indicators for 2015/16 approved by Council on 6 February 2015 as part of the treasury management strategy statement, these are provided in annex 1 to appendix 1.

Community impact

7. 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 duty

8. The recommendations do not have any equality implications.

Financial implications

9. None arising from the recommendations as the outturn report is a factual summary of performance in 2015/16. 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

10. The council complies with all relevant treasury management activity guidance and statute as detailed in the Prudential Code.

Risk management

11. The council is required to approve the treasury management outturn position under financial reporting requirements with monitoring reported to cabinet throughout the year.

Consultees

12. None

Appendices

Appendix 1 - Treasury Management Outturn 2015/16

Background papers

- None identified.