

Note: these indicators are based on the current Capital Strategy approved in July 2014 adjusted for known changes (Car Park Equipment, Archer Road, Regeneration Site Purchase).

The capital Strategy for future years will change following the adoption of the new Integrated Financial Planning Process (Feb 2015 Council) and as such all PI's for future years are indicative and will change

Capital Expenditure:

Subject to Integrated Financial Planning Process

	2013/14 Original Estimate £000's	2013/14 Actual £000	2014/15 Original Estimate £000	2014/15 Mid-Year Estimate £000	2015/16 Mid-Year Estimate £000	2016/17 Mid-Year Estimate £000	2017/18 Mid-Year Estimate £000
General Fund	4,414	3,006	5,754	9,705	6,485	3,426	4,049
HRA	22,010	20,796	27,348	22,026	25,007	19,213	25,446
Total	26,424	23,802	33,102	31,731	31,492	22,639	29,495

* based on Capital Strategy 2013/14 Outturn (Executive July 2014) adjusted for known changes (Car Park Equipment, Archer Road, Regeneration Site Purchase).

Ratio of financing costs to net revenue stream:

	2013/14 Original Estimate %	2013/14 Actual %	2014/15 Original Estimate %	2014/15 Mid-Year Estimate %	2015/16 Mid-Year Estimate %	2016/17 Mid-Year Estimate %	2017/18 Mid-Year Estimate %
General Fund Capital Expenditure	5.65%	5.14%	9.86%	8.63%	11.60%	13.88%	14.53%
HRA Capital Expenditure	16.73%	16.81%	15.95%	15.96%	15.66%	14.27%	13.31%

General Fund: Net revenue stream is the RSG, NNDR grant and Council Tax raised for the year.

HRA: The net revenue stream is the total HRA income shown in the Council's accounts from received rents, service charges and other incomes. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self financing.

Authorised Limit for external debt

	2013/14 Original Estimate £000's	2013/14 Actual £000's	2014/15 Original Estimate £000's	2014/15 Mid-Year Estimate £000's	2015/16 Mid-Year Estimate £000's	2016/17 Mid-Year Estimate £000's	2017/18 Mid-Year Estimate £000's
Borrowing - HRA	216,025	217,642	216,025	217,642	212,142	212,142	208,401
Borrowing - General Fund	14,346	16,435	15,973	19,861	20,178	20,243	19,899
Other long term liabilities	0	0	0	0	0	0	0
Total	230,371	234,077	231,998	237,502	232,319	232,385	228,301

The authorised limit in that it is the level up to which the Council may borrow without getting further approval from Full Council. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The authorised limit allows for £9m headroom, which is in addition to our capital plans.

Operational Boundary for external debt

	2013/14 Original Estimate £000's	2013/14 Actual £000's	2014/15 Original Estimate £000's	2014/15 Mid-Year Estimate £000's	2015/16 Mid-Year Estimate £000's	2016/17 Mid-Year Estimate £000's	2017/18 Mid-Year Estimate £000's
Borrowing - HRA	214,025	213,642	214,025	213,642	208,142	208,142	204,401
Borrowing - General Fund	11,346	11,435	12,973	14,861	15,178	15,243	14,899
Other long term liabilities	0	0	0	0	0	0	0
Total	225,371	225,076	226,998	228,502	223,319	223,384	219,300

The operational boundary differs from the authorised limit in that it is the level up to which the Council expects to have to borrow. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The operational boundary allows for £1m headroom in addition to our capital plans.

Gross & Net Debt (New 2013/14)

	31/03/2014 Original Estimate £000's	31/03/2014 Actual £000's	31/03/2015 Original Estimate £000's	31/03/2015 Mid-Year Estimate £000's	31/03/2016 Mid-Year Estimate £000's	31/03/2017 Mid-Year Estimate £000's	31/03/2018 Mid-Year Estimate £000's
Gross External Debt - HRA	211,915	211,915	211,915	211,915	206,415	206,415	202,674
Gross External Debt - GF	10,034	3,868	12,340	3,605	3,342	3,079	2,816
Gross External Debt	221,949	215,783	224,255	215,520	209,757	209,494	205,490
Less Investments	(11,560)	(24,920)	(11,560)	(28,585)	(21,053)	(30,161)	(30,031)
Net Borrowing	210,389	190,863	212,695	186,935	188,704	179,333	175,459

The **Gross External Debt** is the actual debt taken out by the Council plus any relevant long term liabilities. The Gross External Debt should not exceed the Operational Boundary for external debt.

The **Net Borrowing** is defined as gross external debt less investments. The net borrowing requirement may not, except in the short term, exceed the total capital financing requirement in the preceding year, plus the estimates of any additional financing.

Capital Financing Requirement

	31/03/2014 Original Estimate £000's	31/03/2014 Actual £000's	31/03/2015 Original Estimate £000's	31/03/2015 Mid-Year Estimate £000's	31/03/2016 Mid-Year Estimate £000's	31/03/2017 Mid-Year Estimate £000's	31/03/2018 Mid-Year Estimate £000's
Capital Financing Requirement GF	16,535	15,624	18,162	19,050	19,367	19,432	19,088
Capital Financing Requirement HRA	214,025	213,642	214,025	213,642	208,142	208,142	204,401
Total Capital Financing Requirement	230,560	229,266	232,187	232,691	227,509	227,574	223,489

The **Capital Financing Requirement (CFR)** reflects the amount of money the Council would need to borrow to fund its capital programme. This is split between the Housing Revenue Account CFR (HRACFR) and the General Fund CFR (GFCFR). The indicators reflect the appropriation of assets from General Fund to Housing Revenue Account to take place by 31 March 2014, with due regard to comply with the Council's borrowing limits for external debts.

Incremental Impact on Capital Investment Decisions

	2013/14 Original Estimate £	2013/14 Actual £	2014/15 Original Estimate £	2014/15 Mid-Year Estimate £	2015/16 Mid-Year Estimate £	2016/17 Mid-Year Estimate £	2017/18 Mid-Year Estimate £
Increase (Decrease) in Council Tax (band D)	(2.06)	(0.01)	(4.58)	(7.67)	(2.10)	(15.70)	(22.08)
Increase (Decrease) in average rent per week	(0.07)	(0.02)	0.17	(0.08)	0.14	0.02	0.02

General Fund - This is an indicator of the affordability of the capital programme and its effect on the Council Tax. This indicator shows change in Borrowing Cost and MRP charged to the Revenue Budget because of movement in Capital Strategy from January 2014 to July 2014.

HRA - This is an indicator of the affordability of the capital programme and its effect on the rent payer. From 2012/13 under self financing, the cost of borrowing, in terms of interest cost, and any provision for the future reduction in debt liability, is covered by no longer making contributions to CLG in the form of negative subsidy payments. The reported figures reflect the change on investment interest due to movement in HRA Capital Programme from January 2014 to July 2014.

Upper limit for fixed interest rate exposure

This is defined as net principal re fixed rate borrowing less fixed rate investments

	2013/14 Original Estimate £000's	2013/14 Actual £000's	2014/15 Original Estimate £000's	2014/15 Mid-Year Estimate £000's	2015/16 Mid-Year Estimate £000's	2016/17 Mid-Year Estimate £000's	2017/18 Mid-Year Estimate £000's
Fixed Rate Borrowing - HRA	216,025	211,915	216,025	217,642	212,142	212,142	208,401
Fixed Rate Borrowing - General Fund	11,346	3,868	12,973	14,861	15,178	15,243	14,899
Fixed Rate Investments	(10,000)	(3,000)	(10,000)	(40,000)	(40,000)	(40,000)	(40,000)
Net Fixed Rate Borrowing	217,371	212,783	218,998	192,502	187,319	187,385	183,301

Please note that the Net Exposure is not itself a limit. As borrowing increases, the net will inevitably rise, by keeping a fixed investments constant. It is conceivable that we would have no fixed investments at a point in time, as part of cash flow management. It is therefore the separate Borrowing and Investment entries requiring approval.

Upper limit for variable interest rate exposure

This is defined as net principal re variable rate borrowing less variable rate investments

	2013/14 Original Estimate £000's	2013/14 Actual £000's	2014/15 Original Estimate £000's	2014/15 Mid-Year Estimate £000's	2015/16 Mid-Year Estimate £000's	2016/17 Mid-Year Estimate £000's	2017/18 Mid-Year Estimate £000's
Variable rate borrowing - HRA	216,025	0	216,025	217,642	212,142	212,142	208,401
Variable rate borrowing - General Fund	11,346	0	12,973	14,861	15,178	15,243	14,899
Gross Variable Rate	227,371	0	228,998	232,502	227,319	227,385	223,301
Variable rate investments	(40,000)	(21,920)	(40,000)	100%	100%	100%	100%
Net Variable Rate Borrowing	187,371	(21,920)	188,998	NA	NA	NA	NA

Positive figures show that borrowing exceeds investment levels. It is the individual borrowing and investment limit, not the net variable rate borrowing which requires approval.

Upper limit for total principal sums invested for over 364 days

	2013/14 Original Estimate £000's	2013/14 Actual £000's	2014/15 Original Estimate £000's	2014/15 Mid-Year Estimate £000's	2015/16 Mid-Year Estimate £000's	2016/17 Mid-Year Estimate £000's	2017/18 Mid-Year Estimate £000's
Sums invested for over 364 days	5,000	0	5,000	5,000	5,000	5,000	5,000

Gross Debt & CFR (New 2013/14)

	GF Mid-Year Estimate £000's	HRA Mid-Year Estimate £000's	Total Mid-Year Estimate £000's
Opening balance for 14/15 CFR plus estimates of additional capital financing requirement for the current and the next two financial year	21,527	213,642	235,168
Actual Gross Debt 13/14	3,868	211,915	215,783

Actual Gross Debt is the actual borrowing for any purpose plus other relevant long-term liabilities. It should not, except in the short term, exceed the CFR in the previous year plus the estimates of any increase in the CFR at the end of the current and next two financial years. If in any of these years, there is a reduction in the CFR, this reduction is ignored in estimating the cumulative increase in the CFR which is used for this comparison with external debt.