

## 1 Capital Expenditure (Based on Capital Strategy January 2015):

	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Mid-Year Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000
General Fund	9,705	5,878	6,725	1,904	1,724	1,963	NA
HRA	22,026	16,915	28,164	26,998	26,168	27,055	31,215
<b>Total</b>	<b>31,731</b>	<b>22,793</b>	<b>34,889</b>	<b>28,902</b>	<b>27,892</b>	<b>29,018</b>	<b>31,215</b>

## 2 Ratio of financing costs to net revenue stream:

	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Mid-Year Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	%	%	%	%	%	%	%
General Fund Capital Expenditure	8.63%	7.75%	7.21%	7.97%	7.72%	7.07%	7.44%
HRA Capital Expenditure	15.96%	15.83%	15.55%	14.53%	13.72%	13.03%	13.99%

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.

## 3a Authorised Limit for external debt

	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Mid-Year Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	19,861	17,252	16,598	15,944	15,290	14,664	14,077
Borrowing - HRA	217,642	217,642	212,142	212,142	208,401	208,401	208,401
<b>Total</b>	<b>19,861</b>	<b>234,894</b>	<b>228,740</b>	<b>228,086</b>	<b>223,691</b>	<b>223,065</b>	<b>222,478</b>

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.

## 3b Operational Boundary for external debt

	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Mid-Year Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	14,861	12,252	11,598	10,944	10,290	9,664	9,077
Borrowing - HRA	213,642	213,642	208,142	208,142	204,401	204,401	204,401
<b>Total</b>	<b>14,861</b>	<b>225,894</b>	<b>219,740</b>	<b>219,086</b>	<b>214,691</b>	<b>214,065</b>	<b>213,478</b>

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.

## 3c Gross &amp; Net Debt

	31/03/2015	31/03/2015	31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020
	Mid-Year Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000
Gross External Debt - General Fund	3,605	3,605	4,651	3,079	2,816	1,053	789
Gross External Debt - HRA	211,915	211,915	206,415	206,415	202,674	202,674	202,674
<b>Gross External Debt</b>	<b>215,520</b>	<b>215,520</b>	<b>211,066</b>	<b>209,494</b>	<b>205,490</b>	<b>203,727</b>	<b>203,463</b>
Less Investments	(28,585)	(50,676)	(45,298)	(44,953)	(42,249)	(42,098)	0
<b>Net Borrowing</b>	<b>186,935</b>	<b>164,844</b>	<b>165,768</b>	<b>164,541</b>	<b>163,241</b>	<b>161,629</b>	<b>203,463</b>

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.

## 4 Capital Financing Requirement

	31/03/2015	31/03/2015	31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020
	Mid-Year Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000
Capital Financing Requirement GF	19,050	16,441	15,787	15,134	14,479	13,853	13,266
Capital Financing Requirement HRA	213,642	213,642	208,142	208,142	204,401	204,401	204,401
<b>Total Capital Financing Requirement</b>	<b>232,691</b>	<b>230,083</b>	<b>223,929</b>	<b>223,276</b>	<b>218,880</b>	<b>218,254</b>	<b>217,667</b>

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.

## 5 Incremental Impact on Capital Investment Decisions

	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Mid-Year Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£	£	£	£	£	£	£
Increase (Decrease) in Council Tax (band D)	NA	(0.44)	(11.88)	(15.40)	(18.00)	NA	NA
Increase (Decrease) in average rent per week	NA	(0.06)	0.05	0.21	0.03	NA	NA

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 September 2014 to January 2015.

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 September 2014 to January 2015.

2014/15 Mid-Year Estimate is not available because Mid-Year reported the movement from January 2014 to September 2014. Comparative information on movement from September 2014 to January 2015 was not available at Mid-Year reporting.

## 8 Upper limit for fixed interest rate exposure

	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Mid-Year Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000
Fixed Rate Borrowing - General Fund	14,861	17,252	16,598	15,944	15,290	14,664	14,077
Fixed Rate Borrowing - HRA	217,642	217,642	212,142	212,142	208,401	208,401	208,401
Fixed Rate Investments	(40,000)	100%	100%	100%	100%	100%	100%
Net Fixed Rate Borrowing	192,502	NA	NA	NA	NA	NA	NA

## 9 Upper limit for variable interest rate exposure

	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Mid-Year Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000
Variable rate borrowing - General Fund	14,861	17,252	16,598	15,944	15,290	14,664	14,077
Variable rate borrowing - HRA	217,642	217,642	212,142	212,142	208,401	208,401	208,401
<b>Gross Variable Rate</b>	<b>232,502</b>	<b>234,894</b>	<b>228,740</b>	<b>228,086</b>	<b>223,691</b>	<b>223,065</b>	<b>222,478</b>
Variable rate investments	100%	100%	100%	100%	100%	100%	100%

## 10 Upper limit for total principal sums invested for over 364 days

	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Mid-Year Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000
Sums invested for over 364 days	5,000	5,000	5,000	5,000	5,000	5,000	5,000

## 11 Gross Debt &amp; CFR (New 2013/14)

	GF	HRA	Total	GF	HRA	Total
	Mid-Year Estimate	Mid-Year Estimate	Mid-Year Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000
Opening balance for 2014/15 CFR plus estimates of additional capital financing requirement for the current and the next two financial year	21,527	213,642	235,169	17,064	213,642	230,706
Actual Gross Debt 2013/14	3,868	211,915	215,783	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.