

Capital Expenditure (Based on Capital Strategy January 2016):

	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	October 2015	January 2016	January 2016	January 2016	January 2016	January 2016
	£000	£000	£000	£000	£000	£000
General Fund	7,786	7,423	6,629	4,032	2,843	1,986
HRA	28,183	28,124	25,316	25,051	27,593	32,238
Total	35,969	35,547	31,945	29,083	30,436	34,224

Ratio of financing costs to net revenue stream:

	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	October 2015	January 2016	January 2016	January 2016	January 2016	January 2016
	%	%	%	%	%	%
General Fund Capital Expenditure	7.03%	6.46%	8.61%	8.91%	8.69%	7.89%
HRA Capital Expenditure	15.55%	15.61%	15.56%	15.56%	15.34%	16.01%

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

	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	October 2015	January 2016	January 2016	January 2016	January 2016	January 2016
	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	16,584	16,354	15,700	15,046	14,420	13,832
Borrowing - HRA	212,156	212,386	212,386	208,645	208,645	216,597
Total	228,740	228,740	228,086	223,691	223,065	230,429

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

	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	October 2015	January 2016	January 2016	January 2016	January 2016	January 2016
	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	11,584	11,354	10,700	10,046	9,420	8,832
Borrowing - HRA	208,156	208,386	208,386	204,645	204,645	212,597
Total	219,740	219,740	219,086	214,691	214,065	221,429

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

	2015/16	2015/16	31/03/2017	31/03/2018	31/03/2019	31/03/2020
	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	October 2015	January 2016	January 2016	January 2016	January 2016	January 2016
	£000	£000	£000	£000	£000	£000
Gross External Debt - General Fund	3,342	3,342	3,079	2,816	1,053	789
Gross External Debt - HRA	206,415	206,415	206,415	202,674	202,674	202,674
Gross External Debt	209,757	209,757	209,494	205,490	203,727	203,463
Less Investments	(42,395)	(39,367)	(35,808)	(24,648)	(16,813)	(4,642)
Net Borrowing	167,362	170,390	173,686	180,841	186,913	198,821

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

	2015/16	2015/16	31/03/2017	31/03/2018	31/03/2019	31/03/2020
	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	October 2015	January 2016	January 2016	January 2016	January 2016	January 2016
	£000	£000	£000	£000	£000	£000
Capital Financing Requirement GF	15,773	15,543	14,889	14,235	13,609	13,022
Capital Financing Requirement HRA	208,156	208,386	208,386	204,645	204,645	212,597
Total Capital Financing Requirement	223,929	223,929	223,275	218,880	218,254	225,618

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).

Incremental Impact on Capital Investment Decisions

	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	October 2015	January 2016	January 2016	January 2016	January 2016	January 2016
	£	£	£	£	£	£
Increase (Decrease) in Council Tax (band D)	0.00	0.00	0.00	0.00	0.00	0.00
Increase (Decrease) in average rent per week	0.00	(0.00)	(0.03)	(0.06)	1.33	2.52

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 November 2015 to January 2016.

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 November 2015 to January 2016.

Upper limit for fixed interest rate exposure

	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	October 2015	January 2016	January 2016	January 2016	January 2016	January 2016
	£000	£000	£000	£000	£000	£000
Fixed Rate Borrowing - General Fund	16,584	16,354	15,700	15,046	14,420	13,832
Fixed Rate Borrowing - HRA	212,156	212,386	212,386	208,645	208,645	216,597
Fixed Rate Investments	100%	100%	100%	100%	100%	100%
Net Fixed Rate Borrowing	NA	NA	NA	NA	NA	NA

Upper limit for variable interest rate exposure

	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	October 2015	January 2016	January 2016	January 2016	January 2016	January 2016
	£000	£000	£000	£000	£000	£000
Variable rate borrowing - General Fund	16,584	16,354	15,700	15,046	14,420	13,832
Variable rate borrowing - HRA	212,156	212,386	212,386	208,645	208,645	216,597
Gross Variable Rate	228,740	228,740	228,086	223,691	223,065	230,429
Variable rate investments	100%	100%	100%	100%	100%	100%

Upper limit for total principal sums invested for over 364 days

	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	October 2015	January 2016	January 2016	January 2016	January 2016	January 2016
	£000	£000	£000	£000	£000	£000
Sums invested for over 364 days	5,000	5,000	5,000	5,000	5,000	5,000

Gross Debt & CFR for 2016/17

	Total
	Actual
	£000
Opening balance for 2016/17 CFR plus estimates of additional capital financing requirement for the current and the next two financial year	223,929
Actual Gross Debt 2016/17	209,494

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.