

Treasury Management Prudential Indicators	Appendix C		2017/18 Treasury Management Strategy			
Capital Expenditure (Based on Draft Capital Strategy January 2017):	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21
	Revised November 2016	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017
	£000	£000	£000	£000	£000	£000
General Fund	7,950	8,145	7,799	6,490	5,574	3,351
HRA	27,347	26,857	16,335	32,930	30,715	32,933
Total	35,297	35,002	24,134	39,420	36,289	36,284
<i>*Note the 2016/17 Original General Fund capital programme is £472k more than the draft capital programme due to scheme slippage from 2015/16 of £377k on the Town Centre regeneration and £95k for a new scheme relating to site assembly for the capital disposal programme.</i>						
Ratio of financing costs to net revenue stream:	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21
	Revised November 2016	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017
	%	%	%	%	%	£000
General Fund Capital Expenditure	9.35%	9.00%	7.97%	8.23%	8.76%	10.49%
HRA Capital Expenditure	15.85%	15.32%	15.60%	15.34%	15.13%	14.71%
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	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21
	Revised November 2016	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017
	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	15,580	15,580	15,296	16,622	18,507	19,658
Borrowing - HRA	212,506	212,506	212,265	212,265	212,265	212,265
Total	228,086	228,086	227,561	228,887	230,772	231,923
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	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21
	Revised November 2016	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017
	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	10,580	10,580	10,296	11,622	13,507	14,658
Borrowing - HRA	208,506	208,506	208,265	208,265	208,265	208,265
Total	219,086	219,086	218,561	219,887	221,772	222,923
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	2016/17	2016/17	31/03/2018	31/03/2019	31/03/2020	31/03/2021
	Revised November 2016	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017
	£000	£000	£000	£000	£000	£000
Gross External Debt - General Fund	3,079	3,079	2,816	1,053	789	13,121
Gross External Debt - HRA	206,415	206,415	202,674	202,674	202,674	202,674
Gross External Debt	209,494	209,494	205,490	203,727	203,463	215,795
Less Investments	(39,602)	(46,663)	(45,131)	(33,524)	(23,256)	(11,316)
Net Borrowing	169,892	162,831	160,359	170,203	180,208	204,479
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. For 2020/21 £12.595M is required to be borrowed - this is an estimated loan						
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	2016/17	2016/17	31/03/2018	31/03/2019	31/03/2020	31/03/2021
	Revised November 2016	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017
	£000	£000	£000	£000	£000	£000
Capital Financing Requirement GF	14,769	14,769	14,485	15,811	17,696	18,847
Capital Financing Requirement HRA	208,506	208,506	208,265	208,265	208,265	208,265
Total Capital Financing Requirement	223,275	223,275	222,750	224,076	225,961	227,112
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	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21
	Revised November 2016	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017
	£000	£000	£000	£000	£000	£000
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	(0.01)	(0.01)	0.01	(6.58)	(9.35)	N/A
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 2016 to January 2017.						
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 2016 to January 2017.						
Upper limit for fixed interest rate exposure	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21
	Revised November 2016	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017
	£000	£000	£000	£000	£000	£000
Fixed Rate Borrowing - General Fund	15,580	15,580	15,296	16,622	18,507	19,658
Fixed Rate Borrowing - HRA	212,506	212,506	212,265	212,265	212,265	212,265
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	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21
	Revised November 2016	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017
	£000	£000	£000	£000	£000	£000
Variable rate borrowing - General Fund	15,580	15,580	15,296	16,622	18,507	19,658
Variable rate borrowing - HRA	212,506	212,506	212,265	212,265	212,265	212,265
Gross Variable Rate	228,086	228,086	227,561	228,887	230,772	231,923
Variable rate investments	100%	100%	100%	100%	100%	100%
Upper limit for total principal sums invested for over 364 days	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21
	Revised November 2016	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017	Revised Estimate January 2017
	£000	£000	£000	£000	£000	£000
Sums invested for over 364 days	5,000	10,000	10,000	10,000	10,000	10,000
Gross Debt & CFR for 2017/18 Estimated			GF	HRA	Total	
			Actual	Actual	Actual	
			£000	£000	£000	
Opening balance for 2017/18 CFR plus estimates of additional capital financing requirement for the current and the next two financial year			19,672	212,006	231,677	
Actual Gross Debt 2017/18			2,816	202,674	205,490	
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.						