

Capital Expenditure:

	2013/14 Estimate £000's	2014/15 Estimate £000's	2015/16 Estimate £000's	2016/17 Estimate £000's	2017/18 Estimate £000's
General Fund	4,414	5,754	5,754	5,754	5,754
HRA	22,010	27,348	17,684	18,784	25,196
Total	26,423	33,101	23,438	24,538	30,949

* based on Capital Strategy Jan 2014

Ratio of financing costs to net revenue stream:

	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %
General Fund Capital Exp	5.65%	9.86%	13.25%	17.94%	20.42%
HRA Capital Exp	16.73%	15.95%	15.29%	14.36%	13.74%

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

HRA: The net revenue stream is the income from received rents and service charges. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self financing.

Net Borrowing requirement

	2013/14 Estimate £000's	2014/15 Estimate £000's	2015/16 Estimate £000's	2016/17 Estimate £000's	2017/18 Estimate £000's
Brought forward 1 April	202,265	210,389	212,695	211,412	213,736
Borrowing - HRA	211,915	211,915	206,415	206,415	202,674
Borrowing - General Fund	10,034	12,340	16,557	18,881	18,881
Investments	(11,560)	(11,560)	(11,560)	(11,560)	(11,560)
Carried forward 31 March	210,389	212,695	211,412	213,736	209,995
In year borrowing requirement	8,124	2,306	(1,283)	2,323	(3,741)

The net borrowing requirement is defined as borrowing 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

	2013/14 Estimate £000's	2014/15 Estimate £000's	2015/16 Estimate £000's	2016/17 Estimate £000's	2017/18 Estimate £000's
Capital Financing Requirement GF	16,535	18,162	21,607	22,870	21,653
Capital Financing Requirement HRA	214,025	214,025	208,525	208,525	204,784
Total Capital Financing Requirement	230,560	232,187	230,132	231,395	226,437

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 Estimate £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £
Increase (Decrease) in Council Tax (band D)	(18.02)	(24.24)	(29.41)	(28.80)	(30.54)
Increase (Decrease) in average rent per week	(0.07)	0.17	0.05	0.07	0.10

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 Sep 13 to Jan 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 Sep 13 to Jan 14.

Authorised Limit for external debt

	2013/14 Estimate £000's	2014/15 Estimate £000's	2015/16 Estimate £000's	2016/17 Estimate £000's	2017/18 Estimate £000's
Borrowing - HRA	216,025	216,025	210,525	210,525	206,784
Borrowing - General Fund	14,346	15,973	19,418	20,681	19,464
Other long term liabilities	0	0	0	0	0
Total	230,371	231,998	229,943	231,205	226,248

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 £5m headroom, which is in addition to our capital plans.

Operational Boundary for external debt

	2013/14 Estimate £000's	2014/15 Estimate £000's	2015/16 Estimate £000's	2016/17 Estimate £000's	2017/18 Estimate £000's
Borrowing - HRA	214,025	214,025	208,525	208,525	204,784
Borrowing - General Fund	11,346	12,973	16,418	17,681	16,464
Other long term liabilities	0	0	0	0	0
Total	225,371	226,998	224,943	226,205	221,248

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 authorised limit allows for £5m headroom.

Upper limit for fixed interest rate exposure

	2013/14 Estimate £000's	2014/15 Estimate £000's	2015/16 Estimate £000's	2016/17 Estimate £000's	2017/18 Estimate £000's
Fixed Rate Borrowing - HRA	216,025	216,025	210,525	210,525	206,784
Fixed Rate Borrowing - General Fund	11,346	12,973	16,418	17,681	16,464
Fixed Rate Investments	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Net Fixed Rate Borrowing	217,371	218,998	216,943	218,205	213,248

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 Estimate £000's	2014/15 Estimate £000's	2015/16 Estimate £000's	2016/17 Estimate £000's	2017/18 Estimate £000's
Variable rate borrowing - HRA	216,025	216,025	210,525	210,525	206,784
Variable rate borrowing - General Fund	11,346	12,973	16,418	17,681	16,464
Variable rate investments	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Net Variable Rate Borrowing	187,371	188,998	186,943	188,205	183,248

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 Estimate £000's	2014/15 Estimate £000's	2015/16 Estimate £000's	2016/17 Estimate £000's	2017/18 Estimate £000's
Sums invested for over 364 days	5,000	5,000	5,000	5,000	5,000