

Treasury Management Prudential Indicators										Item 6 Appendix A
Capital Expenditure (Based on Capital Strategy November 2015):										
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Original Estimate	Revised Mid Year (September)	Actual	Original Estimate	Revised Estimate Annual Treasury Management	Revised Mid Year (November)	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Fund	5,754	9,705	5,009	6,725	7,786	7,267	2,963	1,776	1,963	375
HRA	27,348	22,026	16,234	28,164	28,183	28,332	27,047	26,978	27,055	31,215
<b>Total</b>	<b>33,102</b>	<b>31,731</b>	<b>21,243</b>	<b>34,889</b>	<b>35,969</b>	<b>35,599</b>	<b>30,010</b>	<b>28,754</b>	<b>29,019</b>	<b>31,590</b>
Ratio of financing costs to net revenue stream:										
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Original Estimate	Revised Mid Year (September)	Actual	Original Estimate	Revised Estimate Annual Treasury Management Review (October)	Revised Mid Year (November)	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	%	£000	%	%	%	%	%	%	%	%
General Fund Capital Expenditure	9.86%	8.63%	7.09%	7.21%	7.03%	6.63%	8.78%	8.56%	8.20%	7.25%
HRA Capital Expenditure	15.95%	15.96%	15.76%	15.55%	15.55%	15.77%	14.80%	14.11%	13.39%	13.33%
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										
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Original Estimate	Revised Mid Year (September)	Actual	Original Estimate	Revised Estimate Annual Treasury Management Review (October)	Revised Mid Year (November)	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	15,973	19,861	19,861	16,597	16,597	16,597	15,944	15,289	14,663	14,076
Borrowing - HRA	216,025	217,642	217,642	212,143	212,143	212,143	212,143	208,402	208,402	208,402
<b>Total</b>	<b>231,998</b>	<b>237,502</b>	<b>237,502</b>	<b>228,740</b>	<b>228,740</b>	<b>228,740</b>	<b>228,087</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.										
Operational Boundary for external debt										
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Original Estimate	Revised Mid Year (September)	Actual	Original Estimate	Revised Estimate Annual Treasury Management Review (October)	Revised Mid Year (November)	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	12,973	14,861	14,861	11,597	11,597	11,597	10,944	10,289	9,663	9,076
Borrowing - HRA	214,025	213,642	213,642	208,143	208,143	208,143	208,143	204,402	204,402	204,402
<b>Total</b>	<b>226,998</b>	<b>228,502</b>	<b>228,502</b>	<b>219,740</b>	<b>219,740</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.										
Gross & Net Debt										
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	31/03/2017	31/03/2018	31/03/2019	31/03/2020
	Original Estimate	Revised Mid Year (September)	Actual	Original Estimate	Revised Estimate Annual Treasury Management Review (October)	Revised Mid Year (November)	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Gross External Debt - General Fund	12,340	3,605	3,605	4,651	3,342	3,342	3,079	2,816	1,053	789
Gross External Debt - HRA	211,915	211,915	211,915	206,415	206,415	209,757	209,494	205,490	203,727	203,463
<b>Gross External Debt</b>	<b>224,255</b>	<b>215,520</b>	<b>215,520</b>	<b>211,066</b>	<b>209,757</b>	<b>213,099</b>	<b>212,573</b>	<b>208,306</b>	<b>204,779</b>	<b>204,253</b>
Less Investments	(11,560)	(28,585)	(48,950)	(45,298)	(42,395)	(37,863)	(41,367)	(32,927)	(24,558)	(18,605)
<b>Net Borrowing</b>	<b>212,695</b>	<b>186,935</b>	<b>166,570</b>	<b>165,768</b>	<b>167,362</b>	<b>175,237</b>	<b>171,206</b>	<b>175,379</b>	<b>180,221</b>	<b>185,648</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.										
Capital Financing Requirement										
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	31/03/2017	31/03/2018	31/03/2019	31/03/2020
	Original Estimate	Revised Mid Year (September)	Actual	Original Estimate	Revised Estimate Annual Treasury Management Review (October)	Revised Mid Year (November)	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Capital Financing Requirement GF	18,162	19,050	16,440	15,786	15,786	15,786	15,133	14,478	13,853	13,265
Capital Financing Requirement HRA	214,025	213,642	213,643	208,143	208,143	208,143	208,143	204,402	204,402	204,402
<b>Total Capital Financing Requirement</b>	<b>232,187</b>	<b>232,691</b>	<b>230,083</b>	<b>223,929</b>	<b>223,929</b>	<b>223,929</b>	<b>223,275</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).

Incremental Impact on Capital Investment Decisions										
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Original Estimate	Revised Mid Year (September)	Actual	Original Estimate	Revised Estimate Annual Treasury Management Review (October)	Revised Mid Year (November)	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£	£000	£	£	£	£	£	£	£	£
Increase (Decrease) in Council Tax (band D)	(4.58)	(7.67)	(4.58)	(11.88)	0.00	0.00	0.00	0.00	0.00	0.00
Increase (Decrease) in average rent per week	0.17	(0.08)	0.17	0.05	0.00	0.00	0.00	0.00	0.00	0.00
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 2015 to November 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 January 2015 to November 2015.										
Upper limit for fixed interest rate exposure										
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Original Estimate	Revised Mid Year (September)	Actual	Original Estimate	Revised Estimate Annual Treasury Management Review (October)	Revised Mid Year (November)	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Fixed Rate Borrowing - General Fund	12,973	14,861	14,861	16,598	16,597	16,597	15,944	15,289	14,663	14,076
Fixed Rate Borrowing - HRA	216,025	217,642	217,642	212,142	212,143	212,143	212,143	208,402	208,402	208,402
Fixed Rate Investments	(10,000)	(40,000)	100%	100%	100%	100%	100%	100%	100%	100%
Net Fixed Rate Borrowing	218,998	192,502	NA	NA	NA	NA	NA	NA	NA	NA
Upper limit for variable interest rate exposure										
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Original Estimate	Revised Mid Year (September)	Actual	Original Estimate	Revised Estimate Annual Treasury Management Review (October)	Revised Mid Year (November)	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Variable rate borrowing - General Fund	12,973	14,861	14,861	16,597	16,597	16,597	15,944	15,289	14,663	14,076
Variable rate borrowing - HRA	216,025	217,642	217,642	212,143	212,143	212,143	212,143	208,402	208,402	208,402
<b>Gross Variable Rate</b>	<b>228,998</b>	<b>232,502</b>	<b>232,502</b>	<b>228,740</b>	<b>228,740</b>	<b>228,740</b>	<b>228,087</b>	<b>223,691</b>	<b>223,065</b>	<b>222,478</b>
Variable rate investments	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Upper limit for total principal sums invested for over 364 days										
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
	Original Estimate	Revised Mid Year (September)	Actual	Original Estimate	Revised Estimate Annual Treasury Management Review (October)	Revised Mid Year (November)	Revised Estimate	Revised Estimate	Revised Estimate	Revised Estimate
	£000	£000	£000	£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	5,000	5,000	5,000
Gross Debt & CFR										
	GF	HRA	Total							
	Actual	Actual	Actual							
	£000	£000	£000							
Opening balance for 2015/16 CFR plus estimates of additional capital financing requirement for the current and the next two financial year	16,440	213,643	230,083							
Actual Gross Debt 2015/16	3,342	209,757	213,099							

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.