

Appendix C
Treasury Management Prudential Indicators

2020/21 Treasury Management Strategy

Capital Expenditure (Based on Final Capital Strategy February 2020):	2019/20	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	£000	£000	£000	£000	£000
General Fund	32,923	31,224	20,429	6,854	17,418
HRA	33,706	33,249	50,384	58,252	37,575
Total	66,629	64,473	70,813	65,106	54,993

Ratio of financing costs to net revenue stream:	2019/20	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	%	£000	£000	£000	£000
General Fund Capital Expenditure	6.77%	5.60%	6.43%	7.62%	7.73%
HRA Capital Expenditure	16.78%	16.83%	18.68%	20.56%	21.18%

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	2019/20	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	£000	£000	£000	£000	£000
Borrowing - General Fund	48,407	55,317	73,544	74,323	77,540
Borrowing - HRA	224,034	223,824	247,627	274,229	289,869
Total	272,441	279,141	321,171	348,552	367,410

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 £8m headroom above the Operational Boundary (£2m General Fund and £6m HRA), which is in addition to our capital plans. The Operational Boundary and Authorised Limit include £15m for the Queensway residential lease, and £6m for the Bus Station.

Operational Boundary for external debt	2019/20	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	£000	£000	£000	£000	£000
Borrowing - General Fund	46,407	53,317	71,544	72,323	75,540
Borrowing - HRA	218,034	217,824	241,627	268,229	283,869
Total	264,441	271,141	313,171	340,552	359,410

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 £7m headroom in addition to our capital plans (£5m General Fund and £2m HRA) plus £15m from 20/21 for the Queensway residential lease (acquisition values), and £6m for the Bus Station. £11.75m for the Queensway commercial lease is in the 19/20 opening figures.

Gross & Net Debt	31/03/2020	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	£000	£000	£000	£000	£000
Gross External Debt - General Fund	30,124	16,896	20,752	22,191	26,137
Gross External Debt - HRA	211,231	211,231	235,033	261,636	277,276
Gross External Debt	241,355	228,127	255,785	283,826	303,413
Less Investments	(63,741)	(50,664)	(47,240)	(44,925)	(48,760)
Net Borrowing	177,614	177,463	208,545	238,902	254,653

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 2019/20 there is estimated borrowing of £14.35m for the General Fund and £8.6m for the HRA, none of which has been taken to date.

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	31/03/2020	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	£000	£000	£000	£000	£000
Capital Financing Requirement GF	41,407	42,317	45,544	46,323	49,540
Capital Financing Requirement HRA	216,034	215,824	239,627	266,229	281,869
Total Capital Financing Requirement	257,441	258,141	285,171	312,552	331,410

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).