

Appendix A		2020/21 Treasury Management Strategy - Mid year review						
Treasury Management Prudential Indicators								
	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24		
	Original February 2020	Revised September 2020 (TM report)	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	
	£000	£000	£000	£000	£000	£000	£000	
Capital Expenditure (Based on Q1 Capital report September 2020):								
General Fund	20,429	36,715	35,271	10,216	18,041	24,141		
HRA	50,384	34,763	34,057	49,286	45,389	36,314		
Total	70,813	71,478	69,328	59,502	63,429	60,455		
Ratio of financing costs to net revenue stream:								
	Original February 2020	Revised September 2020 (TM report)	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	
	%	%	%	%	%	%	£000	
General Fund Capital Expenditure	6.43%	6.43%	8.17%	14.50%	15.78%	15.96%		
HRA Capital Expenditure	18.68%	18.68%	15.93%	16.14%	15.76%	15.29%		
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								
	Original February 2020	Revised September 2020 (TM report)	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	
	£000	£000	£000	£000	£000	£000	£000	
Borrowing - General Fund	73,544	70,004	49,918	52,624	56,288	55,699		
Borrowing - Queensway residential			15,000	15,000	15,000	15,000		
Borrowing - HRA	247,627	241,771	245,474	272,076	287,716	298,196		
Total	321,171	311,775	310,391	339,700	359,004	368,895		
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.								
Operational Boundary for external debt								
	Original February 2020	Revised September 2020 (TM report)	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	
	£000	£000	£000	£000	£000	£000	£000	
Borrowing - General Fund	71,544	68,004	47,918	50,624	54,288	53,699		
Borrowing - Queensway residential			15,000	15,000	15,000	15,000		
Borrowing - HRA	241,627	235,771	239,474	266,076	281,716	292,196		
Total	313,171	303,775	302,391	331,700	351,004	360,895		
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).								
Gross & Net Debt								
	Original February 2020	Revised September 2020 (TM report)	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	
	£000	£000	£000	£000	£000	£000	£000	
Gross External Debt - General Fund	20,752	20,963	17,353	20,262	24,340	24,340		
Gross External Debt - HRA	235,033	226,784	230,487	257,089	272,729	283,209		
Gross External Debt	255,785	247,747	247,840	277,351	297,069	307,549		
Less Investments	(47,240)	(61,176)	(60,629)	(53,880)	(43,624)	(41,037)		
Net Borrowing	208,545	186,571	187,211	223,471	253,445	266,512		
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								
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								
	Original February 2020	Revised September 2020 (TM report)	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	Revised Mid year review 20-21	
	£000	£000	£000	£000	£000	£000	£000	
Capital Financing Requirement GF	45,544	46,004	42,918	45,624	49,288	48,699		
Capital Financing Requirement HRA	239,627	233,771	237,474	264,076	279,716	290,196		
Total Capital Financing Requirement	285,171	279,775	280,391	309,700	329,004	338,895		
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).								