

Treasury Management Prudential Indicators	Appendix A		2017/18 Treasury Management Strategy - Mid year review			
	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20
Capital Expenditure (Based on 1st quarter Capital Strategy September 2017):	Actual	Original Estimate	Revised (September 2017 TM report)	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18
	£000	£000	£000	£000	£000	£000
General Fund	4,829	7,799	12,605	25,993	7,866	5,574
HRA	19,402	16,335	18,808	17,301	37,939	30,837
Total	24,231	24,134	31,413	43,294	45,805	36,411
	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20
Ratio of financing costs to net revenue stream:	Actual	Original Estimate	Revised (September 2017 TM report)	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18
	%	%	%	%	%	%
General Fund Capital Expenditure	8.53%	7.97%	7.13%	7.13%	16.68%	17.79%
HRA Capital Expenditure	15.12%	15.60%	15.60%	15.60%	15.34%	15.13%
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.						
	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20
Authorised Limit for external debt	Actual	Original Estimate	Revised (September 2017 TM report)	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18
	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	15,580	15,580	15,580	34,485	35,511	37,096
Borrowing - HRA	212,506	212,506	212,506	217,685	217,685	217,685
Total	228,086	228,086	228,086	252,170	253,196	254,781
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.						
	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20
Operational Boundary for external debt	Actual	Original Estimate	Revised (September 2017 TM report)	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18
	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	10,580	10,580	10,296	31,985	33,011	34,596
Borrowing - HRA	212,506	208,506	208,265	210,765	210,765	210,765
Total	223,086	219,086	218,561	242,750	243,776	245,361
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.						
	31-Mar-17	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-19	31-Mar-20
Gross & Net Debt	Actual	Original Estimate	Revised (September 2017 TM report)	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18
	£000	£000	£000	£000	£000	£000
Gross External Debt - General Fund	0	2,816	2,816	18,186	21,205	24,560
Gross External Debt - HRA	206,415	202,674	202,674	202,433	202,433	202,433
Gross External Debt	206,415	205,490	205,490	220,619	223,638	226,993
Less Investments	(57,595)	(45,131)	(45,131)	(57,233)	(40,154)	(35,829)
Net Borrowing	148,820	160,359	160,359	163,386	183,484	191,164
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.						
	31-Mar-17	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-19	31-Mar-20
Capital Financing Requirement (CFR)	Actual	Original Estimate	Revised (September 2017 TM report)	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18
	£000	£000	£000	£000	£000	£000
Capital Financing Requirement GF	14,769	14,769	14,485	29,485	30,511	32,096
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	237,750	238,776	240,361
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).						
	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20
Incremental Impact on Capital Investment Decisions	Actual	Original Estimate	Revised (September 2017 TM report)	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18
	£000	£000	£000	£000	£000	£000
Increase (Decrease) in Council Tax (band D)	0.00	0.00	0.00	0.00	11.68*	14.45*
Increase (Decrease) in average rent per week	(0.08)	(0.38)	0.01	0.01	0.07	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 February 2017 to September 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 February 2017 to September 2017.						
	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20
Upper limit for fixed interest rate exposure	Actual	Original Estimate	Revised (September 2017 TM report)	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18
	£000	£000	£000	£000	£000	£000
Fixed Rate Borrowing - General Fund	15,580	15,580	30,296	34,485	35,511	37,096
Fixed Rate Borrowing - HRA	212,506	212,506	212,265	217,685	217,685	217,685
Fixed Rate Investments	100%	100%	100%	100%	100%	100%
Net Fixed Rate Borrowing	NA	NA	NA	NA	NA	NA
	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20
Upper limit for variable interest rate exposure	Actual	Original Estimate	Revised (September 2017 TM report)	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18
	£000	£000	£000	£000	£000	£000
Variable rate borrowing - General Fund	15,580	15,580	30,296	34,485	35,511	37,096
Variable rate borrowing - HRA	212,506	212,506	212,265	217,685	217,685	217,685
Gross Variable Rate	228,086	228,086	242,561	252,170	253,196	254,781
Variable rate investments	100%	100%	100%	100%	100%	100%
	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20
Upper limit for total principal sums invested for over 364 days	Actual	Original Estimate	Revised (September 2017 TM report)	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18	Revised Mid Yr review 17-18
	£000	£000	£000	£000	£000	£000
Sums invested for over 364 days	10,000	10,000	10,000	10,000	10,000	10,000
				GF	HRA	Total
Gross Debt & CFR for 2017/18 Estimated				Estimate	Estimate	Estimate
				£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				34,672	212,006	246,677
Estimated Gross Debt 2017/18				18,186	202,674	220,860
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.						