

Treasury Management Prudential Indicators		Appendix C		2018/19 Treasury Management Strategy				
		2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Capital Expenditure (Based on Final Capital Strategy: Feb 2018)		Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
		£000	£000	£000	£000	£000	£000	£000
General Fund		25,993	20,932	21,708	16,099	3,970	1,751	1,512
HRA		17,301	17,525	31,355	36,049	31,439	30,922	28,637
Total		43,294	38,457	53,063	52,148	35,409	32,673	30,149
Ratio of financing costs to net revenue stream:		Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
		%	%	%	%	%	%	%
General Fund Capital Expenditure		7.13%	7.82%	14.22%	16.08%	16.50%	16.90%	16.36%
HRA Capital Expenditure		15.60%	16.91%	16.94%	16.72%	16.16%	15.33%	14.84%
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		Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
		£000	£000	£000	£000	£000	£000	£000
Borrowing - General Fund		34,485	33,971	40,666	42,251	43,103	42,026	40,950
Borrowing - HRA		217,685	217,655	217,655	217,655	217,655	217,655	217,655
Total		252,170	251,625	258,321	259,906	260,758	259,681	258,605
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. The headroom for the HRA will be reduced if land/assets are transferred to the HRA or if additional borrowing is taken out.								
Operational Boundary for external debt		Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
		£000	£000	£000	£000	£000	£000	£000
Borrowing - General Fund		31,985	31,471	38,166	39,751	40,603	39,526	38,450
Borrowing - HRA		210,765	211,209	211,209	211,209	211,209	211,209	211,209
Total		242,750	242,680	249,376	250,961	251,812	250,736	249,660
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		Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
		£000	£000	£000	£000	£000	£000	£000
Gross External Debt - General Fund		18,186	12,516	18,389	20,692	22,284	22,021	21,758
Gross External Debt - HRA		202,433	206,174	206,174	206,174	206,174	206,174	206,174
Gross External Debt		220,619	218,690	224,563	226,866	228,458	228,195	227,932
Less Investments		(57,233)	(62,434)	(45,563)	(37,038)	(31,479)	(29,756)	32,678
Net Borrowing		163,386	156,256	179,000	189,828	196,979	198,439	260,610
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.								
Capital Financing Requirement (CFR)		Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
		£000	£000	£000	£000	£000	£000	£000
Capital Financing Requirement GF		29,485	28,971	35,666	37,251	38,103	37,026	35,950
Capital Financing Requirement HRA		208,265	208,709	208,709	208,709	208,709	208,709	208,709
Total Capital Financing Requirement		237,750	237,680	244,376	245,961	246,812	245,736	244,660
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		Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
<i>This indicator will not be a statutory requirement under the revised Prudential Code.</i>		£000	£000	£000	£000	£000	£000	£000
Increase (Decrease) in Council Tax (band D)		0.00	0.00					
Increase (Decrease) in average rent per week		0.01	0.01					
Upper limit for fixed interest rate exposure		Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
<i>This indicator will not be a statutory requirement under the revised Treasury Management Code. It is shown here until the implementation date of the new Code is confirmed.</i>		£000	£000	£000	£000	£000	£000	£000
Fixed Rate Borrowing - General Fund		34,485	33,971	40,666	42,251	43,103	42,026	40,950
Fixed Rate Borrowing - HRA		217,685	217,655	217,655	217,655	217,655	217,655	217,655
Fixed Rate Investments		100%	100%	100%	100%	100%	100%	100%
Net Fixed Rate Borrowing		NA	NA	NA	NA	NA	NA	NA
Upper limit for variable interest rate exposure		Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
<i>This indicator will not be a statutory requirement under the revised Treasury Management Code. It is shown here until the implementation date of the new Code is confirmed.</i>		£000	£000	£000	£000	£000	£000	£000
Variable rate borrowing - General Fund		34,485	33,971	40,666	42,251	43,103	42,026	40,950
Variable rate borrowing - HRA		217,685	217,655	217,655	217,655	217,655	217,655	217,655
Gross Variable Rate		252,170	251,625	258,321	259,906	260,758	259,681	258,605
Variable rate investments		100%	100%	100%	100%	100%	100%	100%
Upper limit for total principal sums invested for over 364 days		Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
<i>This indicator will not be a statutory requirement under the revised Treasury Management Code. It is shown here until the implementation date of the new Code is confirmed.</i>		£000	£000	£000	£000	£000	£000	£000
Sums invested for over 364 days		10,000	10,000	10,000	10,000	10,000	10,000	10,000
Gross Debt & CFR for 2018/19 Estimated						GF	HRA	Total
						Estimate	Estimate	Estimate
						£000	£000	£000
Opening balance for 2018/19 CFR plus estimates of additional capital financing requirement for the current and the next two financial year						38,103	208,709	246,812
Estimated Gross Debt 2018/19						18,389	206,174	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.								