

PRUDENTIAL INDICATORS

Ratio of Financing Costs to Net Revenue Stream

2016/17 %	2017/18 %	2018/19 %	2019/20 %	2020/21 %
-1.1	-1.5	-0.1	1.2	2.6
2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
-220	-281	-25	228	491

This indicator shows the proportion of the net revenue stream (revenue budget) that is attributable to financing costs of capital expenditure. Negative figures indicates that more investment interest than prudential borrowing interest, positive figures the opposite is true.

Incremental Impact of Capital Investment Decisions on the Council Tax

	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
i) Forecast of total budgetary requirement no changes to capital programme	17,633	19,700	13,641	2,314	1,815
ii) Forecast of total budgetary requirement after changes to capital programme	15,900	13,046	16,432	14,695	11,215
iii) Additional Council Tax Required	-0.22	-0.68	0.33	1.64	1.54

This indicator identifies the revenue costs associated with proposed changes to the capital programme compared to the Council's existing approved commitments and current plans.

Current Financial Plan

2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
15,900	13,046	16,432	14,695	11,215

This prudential indicator is a summary of the Council's proposed capital expenditure plans.

Capital Financing Requirement

2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
-10,223	-2,993	9,580	20,540	30,653

This is a measure of the capital expenditure incurred historically by the council that has yet to be financed. It is a measure of the Council's borrowing need to fund the proposed capital programme

TREASURY MANAGEMENT INDICATORS

Authorised Limit for External Debt

	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
Borrowing	4,000	5,030	17,603	28,563	39,778
Other Long Term Liabilities	4,514	4,033	3,526	3,005	2,483
Total	8,514	9,063	21,129	31,568	42,261

This limit is the main limit set as a maximum for external borrowing. It fulfils the requirements under section 3 of the Local Government Act 2003.

Operational Boundary

	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
Borrowing	0	1,030	13,603	24,563	35,778
Other Long Term Liabilities	4,514	4,033	3,526	3,005	2,483
Total	4,514	5,063	17,129	27,568	38,261

This limit should be the focus of day to day treasury management. It is similar to the Authorised Limit but excludes the allowance for temporary cash flow borrowing as perceived as not necessary on a day to day basis.

Upper Limit for Fixed Interest Rate Exposure

2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
-40,000	-38,970	-26,397	-15,437	-4,222

This is the maximum amount of net borrowing and investment that can be at a fixed rate. The upper limit on fixed interest rates incorporates expected borrowing which reduced the negative investment limit.

Upper Limit for Variable Interest Rate Exposure

2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
-32,000	-32,000	-32,000	-32,000	-32,000

This is the maximum amount of net borrowing and investment that can be at a variable rate. The upper limit on variable interest rate exposure is calculated as being 80% of the projected highest level of investments during 2017/18

Maturity Structure of New Fixed Rate Borrowing taken during 2017/18

	Upper Limit %	Lower Limit %
Under 12 months	0	0
12 months to under 24 months	100	20
24 months to under 5 years	100	20
5 years to under 10 years	100	20
10 years and within 20 years	100	20
20 years and within 30 years	100	20
30 years and within 40 years	100	20
40 years and within 50 years	100	20
50 years and within 60 years	100	80
70 years and within 80 years	100	100

This indicator is set to control the Authority's exposure to refinancing risk. Assumption of 50 year borrowing will be used

Principal Invested for more than 364 Days

2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
8,000	5,000	5,000	5,000	5,000

The maximum set aside for long term investment has reduced from £8m to £5m due to funds used for internal borrowing to fund capital programme