

## **PRUDENTIAL INDICATORS**

### **Ratio of Financing Costs to Net Revenue Stream**

2017/18 %	2018/19 %	2019/20 %	2020/21 %	2021/22 %
-0.6	-0.4	1.1	2.5	2.9
2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
-105	-77	210	449	528

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

### **Incremental Impact of Capital Investment Decisions on the Council Tax**

	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
i) Forecast of total capital finance requirement no changes to capital programme	13,046	16,432	14,695	11,215	5,025
ii) Forecast of total capital finance requirement after changes to capital programme	14,146	23,948	22,636	15,303	5,025
iii) Additional Council Tax Required in £.p.	0.09	0.75	0.92	0.53	0.00

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**

2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
14,146	23,948	22,636	15,303	5,025

This prudential indicator is a summary of the Council's proposed capital expenditure plans. These figures are being discussed at Policy & Resources Committee on 24th January 2018.

### **Capital Financing Requirement**

2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
-18,401	1,547	19,982	34,486	38,711

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. A negative amount shows the Council has more funding than capital expenditure.

### **Operational Boundary**

	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
Borrowing	0	1,547	19,982	34,486	38,711
Other Long Term Liabilities	4,033	3,526	3,005	2,483	1,967
Total	4,033	5,073	22,987	36,969	40,678

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.

### **Authorised Limit for External Debt**

	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
Borrowing	4,000	5,547	23,982	38,486	42,711
Other Long Term Liabilities	4,033	3,526	3,005	2,483	1,967
Total	8,033	9,073	26,987	40,969	44,678

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.

**Upper Limit for Fixed Interest Rate Exposure**

2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
-40,000	-38,453	-20,018	-5,514	-1,289

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**

2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,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 2018/19**

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

This indicator is set to control the Authority's exposure to refinancing risk. The Council will source the cheapest funding possible which currently is short term funding, however this may lead to refinancing risk.

**Principal Invested for more than 364 Days**

2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
5,000	5,000	5,000	5,000	5,000

The maximum set aside for long term investment.