

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATORS		2016-17 Actual	2017-18 Original Estimate	2017-18 Updated Estimate	2018-19 Estimate	2019-20 Forecast	2020-21 Forecast
Prudence Indicators:							
1) Capital Expenditure & Financing							
The Council will set for the forthcoming year and the following two financial years estimates of its capital expenditure plans and financing:							
Capital Expenditure	£m	103.088	138.291	141.870	158.689	106.314	49.162
Capital Financing							
Borrowing	£m	15.774	48.844	36.548	84.076	76.675	20.124
Grants & Contributions	£m	84.309	88.847	102.031	74.012	29.038	29.038
Capital Receipts, Reserves & Revenue	£m	3.005	0.600	3.291	0.600	0.600	0.000
Total Capital Financing	£m	103.088	138.291	141.870	158.689	106.314	49.162
2) Capital Financing Requirement							
The Council will make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years:							
Opening CFR	£m	559.558	592.440	557.773	576.535	640.034	692.193
Add Additional Borrowing	£m	15.774	48.844	36.548	84.076	76.675	20.124
Add Additional Credit Liabilities (PFI & Finance Leases)	£m	0.000	0.040	0.040	0.000	0.000	0.000
Less Revenue Provision for Debt Repayment (MRP)	£m	17.560	19.475	17.826	20.578	24.516	27.087
Capital Financing Requirement	£m	557.773	621.849	576.535	640.034	692.193	685.231
3) Gross Borrowing and the Capital Financing Requirement							
The Council will ensure that gross long term borrowing does not, except in the short term, exceed the total capital financing requirement in the preceding year plus the estimates of any additional capital financial requirement for the current and next two financial years. This is to ensure that over the medium term borrowing will only be for a capital purpose.							
Medium Term Forecast of Capital Financing Requirement	£m	640.034	666.599	692.193	685.231	659.390	637.385
Forecast of Long Term External Borrowing and Credit Arrangements	£m	478.195	508.057	462.832	526.898	579.656	573.353
Headroom	£m	161.839	158.542	229.361	158.333	79.734	64.032
4) External Debt							
The Council will set for the forthcoming year and the following two financial years an authorised limit and operational boundary for its total gross external debt, gross of investments, separately identifying borrowing from other long term liabilities:							
Authorised Limit for External Debt							
Borrowing	£m	555.958	583.007	569.390	651.751	669.217	658.200
Other Long Term Liabilities	£m	14.193	13.701	13.613	12.984	12.238	11.473
Total Authorised Limit	£m	570.151	596.708	583.003	664.735	681.455	669.673
Operational Boundary for External Debt							
Borrowing	£m	531.958	559.007	554.390	636.751	654.217	643.200
Other Long Term Liabilities	£m	12.193	11.701	11.613	10.984	10.238	9.473
Total Operational Boundary	£m	544.151	570.708	566.003	647.735	664.455	652.673
Affordability Indicators:							
5) Financing Costs & Net Revenue Stream							
The Council will estimate for the forthcoming year and the following two financial years the proportion of financing costs to net revenue stream (NRS), including dedicated schools grant (DSG). The Council will also set the following voluntary indicator limit: minimum revenue provision and interest not to exceed 10% of net revenue stream (NRS) including dedicated schools grant (DSG).							
Proportion of Financing Costs to NRS (Incl DSG)	%	5.20%	5.28%	5.33%	5.62%	6.65%	7.00%
Proportion of MRP & Interest Costs to NRS (Incl DSG) -Limit 10% (Voluntary Indicator)	%	5.29%	5.35%	5.34%	5.72%	6.82%	7.26%

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Treasury Indicators							
6) Interest Rate Exposures (Variable)							
The Council will set for the forthcoming year and the following two financial years, an upper limit to its exposure to effects of changes in interest rates on variable rate borrowing and investments. (Voluntary Indicator).							
Upper limit for variable interest rate exposures							
Net principal exposure (Borrowing less Investments)	£m	-45.122	205.569	205.569	205.569	205.569	205.569
Borrowing	%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Investments	%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
7) Total Principal Sums Invested							
The Council will set an upper limit for each forward year period for the maturing of investments longer than 365 days.							
Upper limit for total principal sums invested for over 365 days (per maturity date)	£m	5.214	40.000	40.000	40.000	40.000	40.000
8) Maturity Structure of borrowing							
The Council will set for the forthcoming financial year and the following two years both upper and lower limits with respect to the maturity structure of its borrowing: (Fixed & Variable Rate Borrowing).							
Upper limit							
Under 12 months	%	3.20%	25.00%	25.00%	25.00%	25.00%	25.00%
12 months and within 24 months	%	7.50%	25.00%	25.00%	25.00%	25.00%	25.00%
24 months and within 5 years	%	10.50%	50.00%	50.00%	50.00%	50.00%	50.00%
5 years and within 10 years	%	10.50%	75.00%	75.00%	75.00%	75.00%	75.00%
10 years and above	%	68.30%	100.00%	100.00%	100.00%	100.00%	100.00%
Lower limit							
All maturity periods	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9) Borrowing in Advance of Need							
The Council will set for the forthcoming financial year and the following two years upper limits to any borrowing undertaken in advance of need.							
Borrowing in advance of need limited to percentage of the expected increase in CFR over 3 year budget period	%	0.00%	25.00%	25.00%	25.00%	25.00%	25.00%
(Voluntary Indicator)	£m	0.000	11.188	28.915	11.299	-8.201	-11.961