

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATORS		2018-19 Actual	2019-2020 Original Estimate	2019-2020 Updated Estimate	2020-21 Estimate	2021-22 Forecast	2022-23 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	188.308	178.500	189.173	223.204	64.549	100.286
Capital Financing							
Borrowing	£m	70.080	118.353	94.901	137.893	50.303	83.496
Grants & Contributions	£m	99.044	59.547	87.473	85.281	14.175	16.675
Capital Receipts, Reserves & Revenue	£m	19.184	0.600	6.799	0.030	0.071	0.115
Total Capital Financing	£m	188.308	178.500	189.173	223.204	64.549	100.286
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	554.638	606.586	556.484	633.240	749.600	770.712
Add Additional Borrowing	£m	19.971	118.353	94.901	137.893	50.303	83.496
Add Additional Credit Liabilities (PFI & Finance Leases)	£m	0.000	0.000	0.000	1.613	0.000	0.000
Less Revenue Provision for Debt Repayment (MRP)	£m	18.125	19.119	18.145	23.146	29.191	31.580
Capital Financing Requirement	£m	556.484	705.820	633.240	749.600	770.712	822.628
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	601.681	760.696	770.712	822.628	816.018	802.738
Forecast of Long Term External Borrowing and Credit Arrangements	£m	477.242	602.619	512.134	628.398	649.422	701.252
Headroom	£m	124.439	167.568	258.578	194.230	166.596	101.486
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	628.558	696.847	621.421	715.305	742.576	779.032
Other Long Term Liabilities	£m	12.771	12.026	12.270	11.488	11.964	10.728
Total Authorised Limit	£m	641.329	708.873	633.691	726.793	754.540	789.760
Operational Boundary for External Debt							
Borrowing	£m	613.558	681.847	606.421	700.305	727.576	764.032
Other Long Term Liabilities	£m	10.771	10.026	10.270	9.488	9.964	8.728
Total Operational Boundary	£m	624.329	691.873	616.691	709.793	737.540	772.760
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)	%	5.12%	5.52%	5.21%	5.79%	6.91%	7.29%
Proportion of MRP & Interest Costs to NRS (Incl DSG) -Limit 10% (Voluntary Indicator)	%	5.00%	5.68%	4.95%	5.61%	6.59%	6.92%

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Proportionality Indicators							
6) Limit for Maximum Usable Reserves at Risk from Potential Loss of Investments							
The Council will set for the forthcoming financial year and the following two years a limit of no more than 10% of General Reserves to be at risk from potential loss of total investments. (Voluntary Indicator).							
General Reserves	£m	15.850	14.600	16.050	16.200	16.400	16.680
Sums at Risk (Based on Expected Credit Loss Model)	£m	0.292	0.299	0.263	0.178	0.140	0.138
Proportion of Usable Reserves at Risk from Potential Loss of Investments -Limit 10%	%	1.84%	2.04%	1.64%	1.10%	0.85%	0.83%
7) Income from Non Treasury Investments & Net Service Expenditure							
The Council will set for the forthcoming financial year and the following two years a limit of 3% for income from non- treasury investments as a proportion of Net Service Expenditure. (Voluntary Indicator). This is to manage the risk of over dependency of non-treasury investment income to deliver core services.							
Income from Non-Treasury Investments (Including County Farms)	£m	2.545	2.364	2.409	2.276	2.151	2.040
Net Service Expenditure	£m	429.809	463.960	463.959	492.020	504.336	511.481
Proportion of Non-Treasury Investment Income to Net Service Expenditure -Limit 3%	%	0.59%	0.51%	0.52%	0.46%	0.43%	0.40%
Treasury Indicators							
8) 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							
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%
9) Total Principal Sums Invested							
The Council will set an upper limit for each forward year period for the maturing of investments (treasury and non-treasury) longer than 365 days.							
Upper limit for total principal sums invested for over 365 days (per maturity date)	£m	10.000	40.000	40.000	40.000	40.000	40.000
10) 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	%	3.11%	25.00%	25.00%	25.00%	25.00%	25.00%
12 months and within 24 months	%	3.10%	25.00%	25.00%	25.00%	25.00%	25.00%
24 months and within 5 years	%	6.43%	50.00%	50.00%	50.00%	50.00%	50.00%
5 years and within 10 years	%	13.04%	75.00%	75.00%	75.00%	75.00%	75.00%
10 years and above	%	74.32%	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%
11) 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	13.719	34.368	18.257	11.327	-4.972