

MONITORING OF PRUDENTIAL INDICATORS
- Quarter ending 30th September 2018

Appendix IV

1 Financing Costs: Net Revenue Stream

The ratio of Capital Financing Costs (Loan Charges) to the Council's net revenue stream shall not exceed the following limits, which are based on historic levels, and allow some headroom for movement in interest rates. The estimated Financing Costs below are based on the latest monitoring figures.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Prudential Limit - General Fund Estimated Ratio of Financing Costs to Revenue	18.00% 8.50%	18.00% 7.92%	18.00% 8.85%	18.00% 9.58%	18.00% 10.38%	18.00% 10.35%	18.00% 10.69%	18.00% 10.80%	18.00% 10.88%	18.00% 10.88%
Prudential Limit - HRA Estimated Ratio of Financing Costs to Revenue	30.00% 24.40%	30.00% 25.12%	30.00% 23.42%	30.00% 22.40%	30.00% 21.80%	30.00% 24.40%	30.00% 28.65%	30.00% 23.17%	30.00% 23.56%	30.00% 23.48%

2 Gross & Net Borrowing and Capital Financing Requirements

For prudence, net external borrowing must not exceed the total capital financing requirement, thus ensuring that over the medium term, borrowing is only undertaken for capital purposes. The estimated total net borrowing and Capital Financing Requirement at the end of each of the years are as follows:

	Actual as at 30-Sep-18	Projected 31-Mar-19	Projected 31-Mar-20	Projected 31-Mar-21	Projected 31-Mar-22	Projected 31-Mar-23	Projected 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28
Net External Borrowing*	433,802,000	436,691,000	464,639,000	518,587,000	592,814,000	658,489,000	679,230,000	686,512,000	705,694,000	714,576,000	725,458,000
Gross External Borrowing*	494,786,000	486,376,000	509,323,000	558,272,000	632,499,000	698,174,000	718,915,000	726,196,000	745,378,000	754,260,000	765,142,000
Capital Financing Requirement	558,978,000	555,623,000	585,534,000	647,238,000	731,662,000	797,829,000	808,850,000	806,113,000	805,283,000	803,690,000	800,094,000

*For the purpose of this indicator, Borrowing includes the outstanding liability under PPP/PFI contracts.

3 Estimates of Capital Expenditure

The total estimated Capital Expenditure contained within the Council's Budgets for each year is as follows, based on updated monitoring figures.

Composite Programme	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	73,444,000	74,062,000	116,033,000	129,148,000	83,174,000	40,269,000	28,709,000	28,827,000	28,450,000	26,591,000
Original Budget Estimate (including Budget Motion)	82,789,000	71,524,000	119,574,000	119,510,000	83,022,000	38,727,000	28,327,000	28,327,000	28,327,000	28,327,000
Movement in Estimated Capital Expenditure	(9,345,000)	2,538,000	(3,541,000)	9,638,000	152,000	1,542,000	382,000	500,000	123,000	(1,736,000)

The Original Budget Estimates are those per the 2018/19 to 2027/28 Composite Capital Budget Report on 20th June 2018, including budget motion. The latest estimates for Capital Expenditure are based on 2018/19 SP&R Monitoring Report No.2 on 28th November 2018.

HRA Programme	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	19,423,000	10,228,000	7,552,000	8,481,000	27,488,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Original Budget Estimate	13,930,000	8,320,000	9,632,000	9,389,000	28,677,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Movement in Estimated Capital Expenditure	5,493,000	1,908,000	(2,080,000)	(908,000)	(1,189,000)	0	0	0	0	0

The Original Budget Estimates are those per the 2017/18 Strategic Policy & Resources Capital Monitoring Report No.4 on 18th April 2018. The latest estimates for Capital Expenditure are based on 2018/19 SP&R Monitoring Report No.2 on 28th November 2018.

There is no further capital expenditure anticipated on the PPP Programme.

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4 Estimate of Capital Financing Requirement

The estimate (as at September 2018) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

Composite Programme	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	44,839,000	40,024,000	75,812,000	98,927,000	62,560,000	21,124,000	9,859,000	9,977,000	9,600,000	7,741,000
Original Budget Estimate (including Budget Motion)	51,873,000	38,363,000	80,841,000	89,290,000	62,117,000	19,877,000	9,477,000	9,477,000	9,477,000	9,477,000
Movement in Estimated Capital Financing Requirement	(7,034,000)	1,661,000	(5,029,000)	9,637,000	443,000	1,247,000	382,000	500,000	123,000	(1,736,000)

The Original Budget Estimates are those per the 2018/19 to 2027/28 Composite Capital Budget Report on 20th June 2018, including budget motion.

The latest estimates for Capital Expenditure are based on 2018/19 SP&R Monitoring Report No.2 on 28th November 2018.

HRA Programme	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	15,201,000	6,815,000	3,218,000	3,584,000	22,296,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Original Budget Estimate	10,846,000	4,828,000	5,298,000	4,492,000	23,485,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Movement in Estimated Capital Financing Requirement	4,355,000	1,987,000	(2,080,000)	(908,000)	(1,189,000)	0	0	0	0	0

The Original Budget Estimates are those per the 2017/18 Strategic Policy & Resources Capital Monitoring Report No.4 on 18th April 2018.

The latest estimates for Capital Expenditure are based on 2018/19 SP&R Monitoring Report No.2 on 28th November 2018.

5 External Debt (Gross and Net)

External Borrowing	As at 30-Sep-18	Projected 31-Mar-19	Projected 31-Mar-20	Projected 31-Mar-21	Projected 31-Mar-22	Projected 31-Mar-23	Projected 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28
Public Works Loan Board	315,000,000	330,000,000	358,000,000	411,800,000	490,550,000	561,050,000	586,050,000	597,450,000	620,750,000	633,750,000	648,750,000
Market Bonds	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Special Loans	2,198,841	2,200,000	2,200,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Project Borrowing	463,779	406,889	139,999	111,555	111,555	111,555	(28,445)	(28,445)	(28,445)	(28,445)	(28,445)
Temporary Loans/Other Borrowing	22,461,872	2,461,872	2,000,000	1,700,000	1,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other Long Term Liabilities	111,461,500	108,106,750	103,783,500	99,460,250	95,137,000	90,812,000	86,693,400	82,574,800	78,456,800	74,338,800	70,220,800
Total Gross External Debt	494,785,992	486,375,511	509,323,499	558,271,805	632,498,555	698,173,555	718,914,955	726,196,355	745,378,355	754,260,355	765,142,355
Short Term Investments	(60,984,015)	(49,684,721)	(44,684,721)	(39,684,721)	(39,684,721)	(39,684,721)	(39,684,721)	(39,684,721)	(39,684,721)	(39,684,721)	(39,684,721)
Long Term Investments	0	0	0	0	0	0	0	0	0	0	0
Total Net External Debt	433,801,977	436,690,790	464,638,778	518,587,084	592,813,834	658,488,834	679,230,234	686,511,634	705,693,634	714,575,634	725,457,634
Note:											
Operational Boundary	495,000,000	486,000,000	509,000,000	558,000,000	632,000,000	698,000,000	719,000,000	726,000,000	745,000,000	754,000,000	765,000,000
Authorised Limit	770,000,000	770,000,000	770,000,000	770,000,000	770,000,000	770,000,000	770,000,000	770,000,000	770,000,000	770,000,000	770,000,000

The Operational Boundary and Authorised Limit are based on Gross External Debt.

6 Principal Sums Invested Longer Than 365 Days

The Upper Limit for sums invested for over 1 year up to 3 years is £10million. There were no sums invested which were outstanding for such periods as at the end of the quarter.