

ANALYSIS OF PRUDENTIAL INDICATORS
- Quarter Ending 30th September 2019

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.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Prudential Limit - General Fund	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Estimated Ratio of Financing Costs to Revenue	8.21%	8.63%	8.94%	9.86%	10.47%	10.08%	10.03%	10.08%	9.96%	9.86%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	26.83%	24.29%	24.47%	24.13%	25.05%	25.55%	24.52%	24.18%	24.56%	25.98%

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-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	Projected 31-Mar-29
Net External Borrowing*	439,913,000	542,696,000	609,329,000	695,990,000	787,252,000	826,513,000	833,529,000	838,685,000	848,841,000	848,998,000	856,654,000
Gross External Borrowing*	624,770,000	662,696,000	689,329,000	730,990,000	807,252,000	846,513,000	853,529,000	858,685,000	868,841,000	868,998,000	876,654,000
Capital Financing Requirement	552,593,000	593,289,000	652,677,000	744,678,000	833,129,000	867,156,000	876,286,000	883,924,000	889,283,000	893,407,000	898,953,000

*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	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current estimate	71,424,000	112,448,000	155,295,000	117,993,000	48,373,000	31,798,000	31,658,000	28,772,000	26,643,000	27,893,000
Original Budget Estimate (including Budget Motion)	76,371,000	123,274,000	134,383,000	114,218,000	49,193,000	29,760,000	29,402,000	29,039,000	27,194,000	28,333,000
Movement in Estimated Capital Expenditure	(4,947,000)	(10,826,000)	20,912,000	3,775,000	(820,000)	2,038,000	2,256,000	(267,000)	(551,000)	(440,000)

The Original Budget Estimates are those per the 2019/20 to 2028/29 Composite Capital Budget Report on 20th February 2019, including budget motion.

The latest estimates for Capital Expenditure are based on 2019/20 SP&R Monitoring Report No.2 on 27th November 2019.

HRA Programme	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current estimate	14,003,000	16,944,000	5,933,000	8,917,000	23,690,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Original Budget Estimate	12,555,000	9,552,000	7,148,000	10,321,000	28,256,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Movement in Estimated Capital Expenditure	1,448,000	7,392,000	(1,215,000)	(1,404,000)	(4,566,000)	0	0	0	0	0

The Original Budget Estimates are those per the 2019/20 Housing & Communities Budget Report on 23rd January 2019.

The latest estimates for Capital Expenditure are based on 2019/20 SP&R Monitoring Report No.2 on 27th November 2019.

Expenditure on the new school at Bertha Park has been included in the PPP figures in 2019/20. 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 November 2019) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

Composite Programme	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current Estimated Capital Financing Requirement	56,441,000	60,478,000	103,785,000	98,203,000	29,228,000	12,948,000	12,808,000	9,922,000	7,793,000	9,043,000
Original Budget Estimate (including Budget Motion)	65,030,000	71,760,000	83,077,000	94,343,000	30,048,000	10,910,000	10,552,000	10,189,000	8,344,000	9,483,000
Movement in Estimated Capital Financing Requirement	(8,589,000)	(11,282,000)	20,708,000	3,860,000	(820,000)	2,038,000	2,256,000	(267,000)	(551,000)	(440,000)

The Original Budget Estimates are those per the 2019/20 to 2028/29 Composite Capital Budget Report on 20th February 2019, including budget motion.
The latest estimates for Capital Expenditure are based on 2019/20 SP&R Monitoring Report No.2 on 27th November 2019.

HRA Programme	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current Estimated Capital Financing Requirement	12,046,000	14,057,000	2,849,000	5,450,000	20,173,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000
Original Budget Estimate	10,121,000	6,545,000	3,918,000	6,854,000	24,739,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000
Movement in Estimated Capital Financing Requirement	1,925,000	7,512,000	(1,069,000)	(1,404,000)	(4,566,000)	0	0	0	0	0

The Original Budget Estimates are those per the 2019/20 Housing & Communities Budget Report on 23rd January 2019.
The latest estimates for Capital Expenditure are based on 2019/20 SP&R Monitoring Report No.2 on 27th November 2019.

5 External Debt (Gross and Net)

External Borrowing	As at 30-Sep-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	Projected 31-Mar-29
Public Works Loan Board	470,000,000	478,000,000	510,500,000	558,000,000	640,000,000	685,000,000	697,000,000	707,000,000	722,000,000	727,000,000	739,500,000
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	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841
Project Borrowing	406,890	168,444	140,000	140,000	140,000	140,000	0	0	0	0	0
Temporary Loans/Other Borrowing	2,347,762	2,000,000	1,700,000	1,400,000	1,200,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other Long Term Liabilities	106,691,500	137,204,000	131,665,250	126,126,500	120,587,750	115,049,000	110,205,200	105,361,400	100,517,600	95,673,800	90,830,000
Total Gross External Debt	624,769,992	662,696,285	689,329,091	730,990,341	807,251,591	846,512,841	853,529,041	858,685,241	868,841,441	868,997,641	876,653,841
Short Term Investments	(184,856,810)	(120,000,000)	(80,000,000)	(35,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
Long Term Investments	0	0	0	0	0	0	0	0	0	0	0
Total Net External Debt	439,913,182	542,696,285	609,329,091	695,990,341	787,251,591	826,512,841	833,529,041	838,685,241	848,841,441	848,997,641	856,653,841
Note:											
Operational Boundary	625,000,000	663,000,000	689,000,000	731,000,000	807,000,000	847,000,000	854,000,000	859,000,000	869,000,000	869,000,000	877,000,000
Authorised Limit	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000

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.

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7 MATURITY STRUCTURE

The lower and upper limit for the proportion of the Council's total-long term debt which matures in each of the time bandings below, and is therefore subject to refinancing at the prevailing market rates, is as follows:

Fixed Rate Borrowing Maturity	Lower Limit	Upper Limit	Estimated
Under 12 months	0%	35%	2.3%
over 12 months and < 24 months	0%	35%	2.0%
over 2 years and < 5 years	0%	50%	6.5%
over 5 years and < 10 years	0%	75%	11.4%
over 10 years	10%	95%	77.8%

The maturity profile for the Council's current long-term portfolio as at 30 September 2019, measured from the start of the financial year, is as follows:

	Less 1 Year	1 - 2 Years	2 - 5 Years	5 - 10 Years	10 - 20 Years	20 - 30 Years	30 - 40 Years	40 - 50 Years	Over 50 Years
PWLB	12,000,000	7,500,000	25,500,000	50,500,000	5,000,000	0	24,500,000	345,000,000	0
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0
PPP Liability	2,533,500	5,538,750	16,616,250	24,219,000	63,663,000	27,167,000	0	0	0
Other	238,446	28,444	140,000	0	0	0	0	0	0
Total	14,771,946	13,067,194	42,256,250	74,719,000	68,663,000	40,167,000	49,700,000	350,000,000	0
Percentage	2.26%	2.00%	6.47%	11.44%	10.51%	6.15%	7.61%	53.57%	0.00%