

**ANALYSIS OF PRUDENTIAL INDICATORS**  
**- Quarter Ending 31st December 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	8.20%	8.33%	8.73%	9.68%	10.29%	9.96%	9.99%	10.03%	9.84%	9.79%
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	26.90%	23.67%	24.32%	24.10%	24.39%	24.47%	24.77%	24.83%	25.46%	27.32%

**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 31-Dec-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*	481,081,000	522,496,000	589,129,000	655,790,000	762,052,000	786,313,000	803,329,000	813,485,000	823,641,000	828,798,000	841,454,000
Gross External Borrowing*	646,297,000	642,496,000	669,129,000	710,790,000	812,052,000	836,313,000	853,329,000	863,485,000	873,641,000	878,798,000	891,454,000
Capital Financing Requirement	595,167,000	591,143,000	641,543,000	734,737,000	835,370,000	856,905,000	874,096,000	885,598,000	894,794,000	902,751,000	912,068,000

\*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.3 on 29th January 2020.

HRA Programme	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current estimate	15,807,000	15,140,000	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	3,252,000	5,588,000	(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.3 on 29th January 2020.

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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**- Quarter Ending 31st December 2019**

**APPENDIX IV**

**4 Estimate of Capital Financing Requirement**

The estimate (as at January 2020) 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	62,081,000	56,079,000	101,498,000	98,212,000	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	(2,949,000)	(15,681,000)	18,421,000	3,869,000	(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.3 on 29th January 2020.

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	13,650,000	12,253,000	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	3,529,000	5,708,000	(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.3 on 29th January 2020.

**5 External Debt (Gross and Net)**

External Borrowing	As at 31-Dec-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	460,000,000	458,000,000	490,500,000	538,000,000	645,000,000	675,000,000	697,000,000	712,000,000	727,000,000	737,000,000	754,500,000
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	2,095,280	1,800,000	1,500,000	1,200,000	1,000,000	800,000	800,000	800,000	800,000	800,000	800,000
Other Long Term Liabilities	138,470,750	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
<b>Total Gross External Debt</b>	<b>646,296,760</b>	<b>642,496,285</b>	<b>669,129,091</b>	<b>710,790,341</b>	<b>812,051,591</b>	<b>836,312,841</b>	<b>853,329,041</b>	<b>863,485,241</b>	<b>873,641,441</b>	<b>878,797,641</b>	<b>891,453,841</b>
Short Term Investments	(165,215,619)	(120,000,000)	(80,000,000)	(55,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)
Long Term Investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total Net External Debt</b>	<b>481,081,141</b>	<b>522,496,285</b>	<b>589,129,091</b>	<b>655,790,341</b>	<b>762,051,591</b>	<b>786,312,841</b>	<b>803,329,041</b>	<b>813,485,241</b>	<b>823,641,441</b>	<b>828,797,641</b>	<b>841,453,841</b>
<b>Note:</b>											
Operational Boundary	646,000,000	642,000,000	669,000,000	711,000,000	812,000,000	836,000,000	853,000,000	863,000,000	874,000,000	879,000,000	891,000,000
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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**- Quarter Ending 31st December 2019**

**APPENDIX IV**

**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 Structure	Lower Limit	Upper Limit	Estimated
Under 12 months	0%	35%	0.5%
over 12 months and < 24 months	0%	35%	2.0%
over 2 years and < 5 years	0%	50%	6.6%
over 5 years and < 10 years	0%	75%	11.6%
over 10 years	10%	95%	79.2%

The maturity profile for the Council's current long-term portfolio as at 31 December 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	Total
PWLB	2,000,000	7,500,000	25,500,000	50,500,000	5,000,000	0	24,500,000	345,000,000	0	460,000,000
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0	43,200,000
PPP Liability	1,266,750	5,538,750	16,616,250	24,219,000	63,663,000	27,167,000	0	0	0	138,470,750
Other	238,446	28,444	140,000	0	0	0	0	0	0	406,890
<b>Total</b>	<b>3,505,196</b>	<b>13,067,194</b>	<b>42,256,250</b>	<b>74,719,000</b>	<b>68,663,000</b>	<b>40,167,000</b>	<b>49,700,000</b>	<b>350,000,000</b>	<b>0</b>	<b>642,077,640</b>
<b>Percentage</b>	<b>0.55%</b>	<b>2.04%</b>	<b>6.58%</b>	<b>11.64%</b>	<b>10.69%</b>	<b>6.26%</b>	<b>7.74%</b>	<b>54.51%</b>	<b>0.00%</b>	<b>100.00%</b>