

ANALYSIS OF PRUDENTIAL INDICATORS
- Quarter Ending 30th June 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	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Estimated Ratio of Financing Costs to Revenue	8.55%	8.04%	9.03%	10.02%	10.70%	10.54%	10.82%	10.80%	10.56%	10.58%
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	25.35%	25.41%	24.06%	23.90%	23.92%	25.45%	25.85%	26.29%	24.75%	24.23%

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-Jun-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*	430,622,000	457,499,000	500,470,000	563,118,000	631,095,000	683,270,000	699,012,000	696,893,000	702,775,000	713,657,000	724,539,000
Gross External Borrowing*	481,921,000	497,499,000	535,470,000	593,118,000	661,095,000	713,270,000	729,012,000	726,893,000	732,775,000	743,657,000	754,539,000
Capital Financing Requirement	512,577,000	561,642,000	591,024,000	657,551,000	730,783,000	794,810,000	803,232,000	800,020,000	796,443,000	794,144,000	791,880,000

*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	79,843,000	74,555,000	119,596,000	119,456,000	82,698,000	39,022,000	28,327,000	28,327,000	28,327,000	28,327,000
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	(2,946,000)	3,031,000	22,000	(54,000)	(324,000)	295,000	0	0	0	0

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.1 on 12th September 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	18,917,000	9,273,000	7,758,000	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	4,987,000	953,000	(1,874,000)	(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.1 on 12th September 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	49,599,000	40,902,000	80,875,000	89,236,000	62,088,000	19,877,000	9,477,000	9,477,000	9,477,000	9,477,000
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	(2,274,000)	2,539,000	34,000	(54,000)	(29,000)	0	0	0	0	0

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.1 on 12th September 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	16,029,000	5,781,000	3,424,000	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	5,183,000	953,000	(1,874,000)	(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.1 on 12th September 2018.

5 External Debt (Gross and Net)

External Borrowing	As at 30-Jun-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	320,000,000	340,000,000	383,000,000	445,500,000	518,000,000	575,000,000	595,000,000	597,000,000	607,000,000	622,000,000	637,000,000
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	2,210,841	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	492,224	435,334	168,444	140,000	140,000	140,000	0	0	0	0	0
Temporary Loans/Other Borrowing	3,438,572	2,438,572	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	112,579,750	109,225,000	104,901,750	100,578,500	96,255,250	91,930,250	87,811,650	83,693,050	79,575,050	75,457,050	71,339,050
Total Gross External Debt	481,921,387	497,498,906	535,470,194	593,118,500	661,095,250	713,270,250	729,011,650	726,893,050	732,775,050	743,657,050	754,539,050
Short Term Investments	(51,299,294)	(40,000,000)	(35,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)
Long Term Investments	0	0	0	0	0	0	0	0	0	0	0
Total Net External Debt	430,622,093	457,498,906	500,470,194	563,118,500	631,095,250	683,270,250	699,011,650	696,893,050	702,775,050	713,657,050	724,539,050
Note:											
Operational Boundary	482,000,000	497,000,000	535,000,000	593,000,000	661,000,000	713,000,000	729,000,000	727,000,000	733,000,000	744,000,000	755,000,000
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.