

ANALYSIS OF PRUDENTIAL INDICATORS
- Quarter Ending 30th June 2019

APPENDIX V

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	8.26%	8.65%	8.81%	9.47%	9.78%	9.37%	9.52%	9.41%	9.27%	9.28%
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	26.99%	26.31%	23.33%	21.18%	22.64%	24.75%	26.59%	26.82%	26.68%	26.69%

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-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*	438,952,000	512,696,000	575,329,000	631,990,000	701,252,000	738,513,000	757,529,000	771,685,000	784,841,000	796,998,000	810,654,000
Gross External Borrowing*	510,871,000	612,696,000	650,329,000	681,990,000	741,252,000	768,513,000	782,529,000	796,685,000	809,841,000	821,998,000	835,654,000
Capital Financing Requirement	549,683,000	604,142,000	659,611,000	741,071,000	830,532,000	868,453,000	872,747,000	876,714,000	880,336,000	882,833,000	887,018,000

*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	74,230,000	112,059,000	155,202,000	118,782,000	48,787,000	29,839,000	29,998,000	28,952,000	26,888,000	28,193,000
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	(2,141,000)	(11,215,000)	20,819,000	4,564,000	(406,000)	79,000	596,000	(87,000)	(306,000)	(140,000)

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.1 on 11th September 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	18,477,000	8,771,000	5,715,000	9,093,000	27,342,000	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	5,922,000	(781,000)	(1,433,000)	(1,228,000)	(914,000)	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.1 on 11th September 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 September 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	64,003,000	65,485,000	93,797,000	98,898,000	29,642,000	10,989,000	11,148,000	10,102,000	8,038,000	9,343,000
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	(1,027,000)	(6,275,000)	10,720,000	4,555,000	(406,000)	79,000	596,000	(87,000)	(306,000)	(140,000)

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.1 on 11th September 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	15,411,000	5,884,000	2,631,000	5,626,000	23,825,000	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	5,290,000	(661,000)	(1,287,000)	(1,228,000)	(914,000)	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.1 on 11th September 2019.

5 External Debt (Gross and Net)

External Borrowing	As at 30-Jun-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	355,000,000	428,000,000	471,500,000	509,000,000	574,000,000	607,000,000	626,000,000	645,000,000	663,000,000	680,000,000	698,500,000
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	435,334	168,444	140,000	140,000	140,000	140,000	0	0	0	0	0
Temporary Loans/Other Borrowing	2,153,662	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	107,958,250	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	510,871,087	612,696,285	650,329,091	681,990,341	741,251,591	768,512,841	782,529,041	796,685,241	809,841,441	821,997,641	835,653,841
Short Term Investments	(71,919,342)	(100,000,000)	(75,000,000)	(50,000,000)	(40,000,000)	(30,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)
Long Term Investments	0	0	0	0	0	0	0	0	0	0	0
Total Net External Debt	438,951,745	512,696,285	575,329,091	631,990,341	701,251,591	738,512,841	757,529,041	771,685,241	784,841,441	796,997,641	810,653,841
Note:											
Operational Boundary	511,000,000	613,000,000	650,000,000	682,000,000	741,000,000	769,000,000	783,000,000	797,000,000	810,000,000	822,000,000	836,000,000
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%	2.9%
over 12 months and < 24 months	0%	35%	2.5%
over 2 years and < 5 years	0%	50%	7.8%
over 5 years and < 10 years	0%	75%	12.9%
over 10 years	10%	95%	73.9%

The maturity profile for the Council's current long-term portfolio as at 30 June 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	45,500,000	0	0	24,500,000	230,000,000	10,000,000
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0
PPP Liability	3,800,250	5,538,750	16,616,250	24,219,000	63,663,000	27,167,000	0	0	0
Other	0	266,890	168,445	0	0	0	0	0	0
Total	15,800,250	13,305,640	42,284,695	69,719,000	63,663,000	40,167,000	49,700,000	235,000,000	10,000,000
Percentage	2.93%	2.47%	7.84%	12.92%	11.80%	7.44%	9.21%	43.55%	1.85%