Prudential Indicators 2016/17 Mid Year

plan for capital financing as a result of the capital programme and enable the monitoring of capital budgets. 2		Prudential Indicator		2016/17	2017/18	2018/19	2019/20	2020/21
To allow the authority to plan for capital financing as a result of the capital programme and enable the monitoring of capital budgets. 2 CFR as at 2016/17 Mid Year Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government support, government support, government grant or the use of capital receipts. The use of borrowing increases the CFR. 3 Ratio of financing costs to net revenue stream An estimate of the cost of borrowing in relation to the net cost of Council services to be met from government grant and council taxpayers. In the case of the HRA the net revenue stream is the income from rents. 4a Incremental impact of capital investment decisions on council tax. Shows the actual impact of capital investment decisions on council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council of the in	1	Capital Expenditure						
programme and enable the monitoring of capital budgets. 2		To allow the authority to	GF	£47.7m	£81.5m	£15.3m	£12.6m	£13.5m
the monitoring of capital budgets. 2			HRA	£23.3m	£9.5m	£8.3m	£8.1m	£8.0m
CFR as at 2016/17 Mid Year Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing increases the CFR. Total use of capital receipts. The use of offinancing costs to net revenue stream An estimate of the cost of borrowing in relation to the net cost of borrowing in relation to the net cost of borrowing in relation to the net cost of borrowing in services to be met from government grant and council taxpayers. In the case of the HRA the net revenue stream is the income from rents. An estimate of the cost of capital investment decisions – Council tax The impact on council tax The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council 5.		the monitoring of capital	Total	£71.0m	£91.0m	£23.6m	£20.7m	£21.5m
Ratio of financing costs to net revenue stream An estimate of the cost of borrowing in relation to the net cost of Council services to be met from government grant and council taxpayers. In the case of the HRA the net revenue stream is the income from rents. 4a Incremental impact of capital investment decisions on council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council for the council tax is a fundamental increase in council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council tax.	2	Year Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing	HRA	£140.3m	£140.3m	£140.3m	£140.3m	£197.7m £140.3m £338.0m
costs to net revenue stream An estimate of the cost of borrowing in relation to the net cost of Council services to be met from government grant and council taxpayers. In the case of the HRA the net revenue stream is the income from rents. 4a Incremental impact of capital investment decisions – Council tax Shows the actual impact of capital investment decisions on council tax as a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council Tax Show the actual impact of capital investment decisions on council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council		increases the CFR.						
capital investment decisions – Council Tax Shows the actual impact of capital investment decisions on council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council	3	costs to net revenue stream An estimate of the cost of borrowing in relation to the net cost of Council services to be met from government grant and council taxpayers. In the case of the HRA the net revenue stream is the	HRA	12.99%	12.99%	12.99%	12.99%	12.29% 12.99% 12.45%
tax is used in financing the capital programme and any related revenue implications that flow from it.	4a	capital investment decisions – Council Tax Shows the actual impact of capital investment decisions on council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council tax is used in financing the capital programme and any related revenue implications that flow	Increase in band D Council Tax per annum	£18.63	£32.20	£10.93	£5.48	£5.87

Annex A

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	Prudential Indicator		2016/17	2017/18	2018/19	2019/20	2020/21
4b	Incremental impact of capital investment decisions – Housing Rents Shows the actual impact of capital investment decisions on HRA rent. For CYC, the HRA planned capital spend is based on the government's approved borrowing limit so there is no impact on HRA rents.		£0.00	£0.00	£0.00	£0.00	£0.00
5	External Debt To ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose	Gross Debt Invest	£285.2m £50.0m	£295.1m £25.0m	£289.9m £20.0m	£288.8m £20.0m	£288.6m £20.0m
	and so not exceed the CFR.	Debt	£235.2m	£270.1m	£269.9m	£268.8m	£268.6m
6a	Authorised Limit for External Debt The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could be sustained for only a short period of time. The council sets an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long-term liabilities.	Borrowing / Other long term liabilities Total	£355.3m £30.0m £385.3m	£355.3m £30.0m £385.3m	£355.3m £30.0m £385.3m	£355.3m £30.0m £385.3m	£355.3m £30.0m £385.3m

Annex A

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	Prudential Indicator		2016/17	2017/18	2018/19	2019/20	2020/21
6b	Operational Boundary for external debt The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed authority limit. It is a direct link between the Council's plans for capital expenditure; our estimates of the capital financing requirement; and estimated operational cash flow for the year.	Borrowing Other long term liabilities Total	£345.3m £10.0m £355.3m	£345.3m £10.0m £355.3m	£345.3m £10.0m £355.3m	£345.3m £10.0m £355.3m	£345.3m £10.0m £355.3m
6c	HRA Debt Limit The Council is also limited to a maximum HRA CFR through the HRA self-financing regime, known as the HRA Debt Limit or debt cap.		£146.0m	£146.0m	£146.0m	£146.0m	£146.0m
7a	Upper limit for fixed interest rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 5 years. The Council should not be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts.		120%	109%	108%	108%	108%
7b	Upper limit for variable rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 5 years. The Council should not		-20%	-9%	-8%	-8%	-8%

Annex A

	Prudential Indicator		2016/17	2017/18	2018/19	2019/20	2020/21
	Tradential mareator		2010/17	2017/10	2010/10	2010/20	2020/21
	be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts.						
8	Maturity structure of fixed rate borrowing To minimise the impact	iits	Maturity Profile	Debt (£)	Debt (%)	Approved Minimum Limit	Approved Maximum Limit
	of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year	Maturity profile of debt against approved limits	Less than 1 yr	£10.0m	4%	0%	30%
	could mean that the Council has insufficient	nst ag	1 to 2 yrs	£2.0m	1%	0%	30%
	liquidity to meet its repayment liabilities, and	agaii	2 to 5 yrs	£33.0m	13%	0%	40%
	as a result could be exposed to risk of interest rate fluctuations	e of debt	5 to 10 yrs	£42.8m	16%	0%	40%
	in the future where loans are maturing. The Council therefore sets	rity profile	10 yrs and above	£174.3m	66%	30%	90%
	limits whereby long-term loans mature in different periods thus spreading the risk.	Matu	Total	£262.1m	100%	-	-
9	Upper limit for total principal sums invested for over 364 days The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year. The limits are set as a percentage of the average balances of the investment portfolio.		£0	£0	£0	£0	£0
10	Adoption of the CIPFA Code of Practice for Treasury Management in Public Services		✓				