

APPENDIX D

CIPFA Prudential Indicators for Capital Finance in Local Authorities Prudential

Indications and Treasury Management Indications for 2018/19 Comparison of actual results with limits

PRUDENTIAL MANAGEMENT INDICATORS

1. Actual and Estimated Capital Expenditure.

	2018/19 Estimate £m	2018/19 Actual £m
Asset and Loans		
Gross	10.7	8.5
Net	7.4	4.5
Commercial Investment Strategy (CIS)		
Gross	13.7	11.6
Net	13.7	11.6
Net Total		
	21.1	16.1

2. The proportion of the budget financed from government grants and council tax that is spent on interest and the provision for debt repayment.

2018/19 Estimate	2018/19 Actual
23.1%	12.1%

3. The impact of schemes with capital expenditure on the level of council tax.

		2018/19 Estimate	2018/19 Actual
Capital Programme	Variation	£2.61	(£2.90)
	Cumulative	£2.61	£4.05
CIS	Variation	(£0.33)	(£0.00)
	Cumulative	(£0.33)	(£0.00)

4. The capital financing requirement.

This represents the estimated need for the Authority to borrow to finance capital expenditure less the estimated provision for redemption of debt (the MRP).

	2018/19 Estimate £m	2018/19 Actual £m
Assets and Loans	43.8	42.7
CIS	24.5	15.0
Total	68.3	57.7

5. Net borrowing and the capital financing requirement.

Net external borrowing as at the 31st March 2019, was £28.5m; this is £29.2m less

than the capital financing requirement. Thereby confirming that the council has not borrowed for revenue purposes other than in the short-term for cash flow purposes.

6. The actual external long-term borrowing at 31 March 2019

£28.532m

7. Adoption of the CIPFA Code

The Council has adopted the 2017 edition of the CIPFA Treasury Management Code of Practice.

TREASURY MANAGEMENT INDICATORS

8. The authorised limit for external debt.

This is the maximum limit for borrowing and is based on a worst-case scenario.

	2018/19 Limit £m	2018/19 Actual £m
Short-Term	26.0	5.0
Long Term	45.0	10.0
Other long-term liabilities (leases)	7.0	0.5
Total	78.0	15.5
Long-term for loans to organisations	15.0	6.4
Plus long term borrowings to finance for CIS investment.	30	12.3
Total	123.0	34.2

9. The operational boundary for external debt.

This reflects a less extreme position. Although the figure can be exceeded without further approval, it represents an early warning monitoring device to ensure that the authorised limit (above) is not exceeded.

	2018/19 Limit £m	2018/19 Actual £m
Short-Term	21.0	5.0
Long Term	45.0	10.0
Other long-term liabilities (leases)	7.0	0.5
Total	73.0	15.5
Long-term for loans to organisations	15.0	6.4
Plus long term borrowings to finance for CIS investment.	30	12.3
Total	118.0	34.2

Both of these actual results reflect the fact that long term rates were not considered low enough to borrow in anticipation of need

10. Exposure to investments with fixed interest and variable interest.

These limits are given as a percentage of total investments. Investments of less than 12 months count as variable rate.

		Limits		Actual
		Max.	Min.	As at 31.3.19
Borrowing: longer than 1 year	Fixed	100%	75%	100%
	Variable	25%	0%	0%
Investments: longer than 1 year	Fixed	100%	100%	Nil
	Variable	0%	0%	Nil

11. Borrowing Repayment Profile

The proportion of 2018/19 borrowing that matured in successive periods.

Borrowing	Upper limit	Lower limit	Actual As at 31.3.19
Under 12 months	79%	0%	0%
12 months and within 24 months	79%	0%	0%
24 months and within 5 years	79%	0%	14.3%
5 years and within 10 years	80%	1%	0%
10 years and above	100%	20%	85.7%

12. Investment Repayment Profile

Limit on the value of investments that cannot be redeemed within 364 days.

	Limit £m	Actual £m
Limit on principal invested beyond year end (31 March 2018)	68.2	0