

**CIPFA Prudential Indicators for Capital Finance in Local Authorities  
Prudential Indications and Treasury Management Indications for 2017/18  
Comparison of actual results with limits**

**PRUDENTIAL MANAGEMENT INDICATORS**

**1. Actual and Estimated Capital Expenditure.**

	<b>2017/18 Estimate £m</b>	<b>2017/18 Actual £m</b>
<b>Asset and Loans</b>		
<b>Gross</b>	<b>12.4</b>	<b>8.5</b>
<b>Net</b>	<b>8.8</b>	<b>5.7</b>
<b>Commercial Investment Strategy (CIS)</b>		
<b>Gross</b>	<b>30.0</b>	<b>5.7</b>
<b>Net</b>	<b>30.0</b>	<b>5.7</b>
<b>Net Total</b>	<b>38.8</b>	<b>11.4</b>

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

<b>2017/18 Estimate</b>	<b>2017/18 Actual</b>
<b>19.5%</b>	<b>9.5%</b>

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

This item is only provided to demonstrate affordability at budget setting and has already been superseded by the equivalent figure in the 2017/18 Treasury Management Strategy indicators.

**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).

	<b>2017/18 Estimate £m</b>	<b>2017/18 Actual £m</b>
<b>Assets and Loans</b>	<b>43.7</b>	<b>41.3</b>
<b>CIS</b>	<b>26.4</b>	<b>5.3</b>
<b>Total</b>	<b>70.1</b>	<b>46.6</b>

**5. Net borrowing and the capital financing requirement.**

Net external borrowing as at the 31<sup>st</sup> March 2018, was £20.9m; this is £25.7m 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 2017**

£20.9m

**7. Adoption of the CIPFA Code**

The Council has adopted the 2011 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.

	<b>2017/18 Limit £m</b>	<b>2017/18 Actual £m</b>
Short-Term	26.0	9.0
Long Term	45.0	10.0
Other long-term liabilities (leases)	6.0	0.5
<b>Total</b>	<b>77.0</b>	<b>19.5</b>
<b>Long-term for loans to organisations</b>	<b>15.0</b>	<b>5.9</b>
<b>Plus long term borrowings to finance for CIS investment.</b>	<b>30</b>	<b>5.0</b>
<b>Total</b>	<b>122.0</b>	<b>30.4</b>

**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.

	<b>2017/18 Limit £m</b>	<b>2017/18 Actual £m</b>
Short-Term	26.0	9.0
Long Term	45.0	20.9
Other long-term liabilities (leases)	6.0	0.5
<b>Total</b>	<b>77.0</b>	<b>19.5</b>
<b>Long-term for loans to organisations</b>	<b>15.0</b>	<b>5.9</b>
<b>Plus long term borrowings to finance for CIS investment.</b>	<b>30</b>	<b>5.0</b>
<b>Total</b>	<b>122.0</b>	<b>30.4</b>

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 31.3.18
<b>Borrowing:</b> longer than 1 year	Fixed	100%	75%	100%
	Variable	25%	0%	0%
<b>Investments:</b> longer than 1 year	Fixed	100%	100%	100%
	Variable	0%	0%	0%

## 11. Borrowing Repayment Profile

The proportion of 2017/18 borrowing that matured in successive periods.

Borrowing	Upper limit	Lower limit	Actual As at 31.3.18
Under 12 months	91%	0%	2%
12 months and within 24 months	91%	0%	2%
24 months and within 5 years	91%	0%	5%
5 years and within 10 years	92%	1%	5%
10 years and above	100%	8%	86%

## 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 2017)	34.5	0