

## APPENDIX D

### CIPFA Prudential Indicators for Capital Finance in Local Authorities Prudential Indications and Treasury Management Indications for 2018/19 Comparison of forecast results with limits.

#### PRUDENTIAL MANAGEMENT INDICATORS

##### 1. Actual and Estimated Capital Expenditure.

Capital Expenditure and Income	2018/19 Estimate £m	2018/19 Revised Estimate £m	2018/19 Forecast £m
Gross	5.6	10.7	11.2
Grants	(1.8)	(3.3)	(4.1)
Net	3.8	7.4	7.1

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

Proportion of Budget on	2018/19 Estimate %	2018/19 Forecast %
Interest and MRP %	13.0	11.1

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

This calculation highlights the hypothetical impact on the level of Council Tax from changes from the previously approved MTFs due to capital schemes (including their associated revenue implications). The actual change in Council Tax will be significantly different due to revenue variations, spending adjustments and the use of revenue reserves.

Impact on Council Tax	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £
Variation	(2.02)	0.29	(0.42)	(0.09)
Cumulative	(2.02)	(1.73)	(2.15)	(2.24)

##### 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).

Borrowing Requirement	2018/19 Estimate £m	2018/19 Forecast £m
CIS CFR	43.8	44.6

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

Net external borrowing as at the 30<sup>th</sup> September 2018, was £20.57m, this is £24.03m less than the forecast 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 30th September 2018**

£20.57m

**7. Adoption of the CIPFA Code**

The Council has adopted the 2018 edition of the CIPFA Treasury Management in the Public Services - 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>Authorised Boundary</b>	<b>2018/19 Limit £m</b>	<b>2018/19 Actual £m</b>
Short-Term	26.0	7.00
Long Term	45.0	15.00
Other long-term liabilities (leases)	7.0	0.5
<b>Total</b>	<b>78.0</b>	<b>22.5</b>
Long-term for loans to organisations	<b>15.0</b>	<b>7.07</b>
CIS Investments giving a yield	<b>30.0</b>	<b>0.0</b>
<b>Total</b>	<b>123.0</b>	<b>29.57</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>Operational Boundary</b>	<b>2018/19 Limit £m</b>	<b>2018/19 Actual £m</b>
Short-Term	21.0	7.00
Long Term	45.0	15.00
Other long-term liabilities (leases)	7.0	0.5
<b>Total</b>	<b>73.0</b>	<b>22.5</b>
Long-term for loans to organisations	<b>15.0</b>	<b>7.07</b>
CIS Investments giving a yield	<b>30.0</b>	<b>0.0</b>
<b>Total</b>	<b>118.0</b>	<b>29.57</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.

Investments of less than 12 months count as variable rate.

<b>Investments</b>	<b>Limit £m</b>	<b>Actual As at 30.9.18</b>
Upper limit on fixed interest rate exposure (Includes loans to other organisations)	80.0	7.86
Upper limit on variable interest rate exposure (Includes short term investments and CCLA Property Fund)	35.0	17.82

## 11. Borrowing Repayment Profile

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

<b>Borrowing</b>	<b>Upper limit</b>	<b>Lower limit</b>	<b>Actual As at 30.9.18</b>
Under 12 months	79%	0%	19%
12 months and within 24 months	79%	0%	0%
24 months and within 5 years	79%	0%	0%
5 years and within 10 years	80%	1%	0%
10 years and above	100%	20%	80.1 %

## 12. Investment Repayment Profile

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

<b>Investment Limit</b>	<b>Limit £m</b>	<b>Actual £m</b>
Limit on principal invested beyond year end (31 March 2018)	68.2	0