

APPENDIX E

Commercial Investment Strategy Indicators

PRUDENTIAL MANAGEMENT INDICATORS

1. Actual and Estimated Capital Expenditure.

Capital Expenditure and Income	2018/19 Estimate	2018/19 Forecast
	£m	£m
Gross	13.75	13.75
Grants	0	0
Net	13.75	13.75

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 Forecast %	2018/19 Forecast %
Interest and MRP %	10.1	9.8

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	(0.36)	0.00	0.00	0.00
Cumulative	(0.36)	(0.36)	(0.36)	(0.36)

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	24.5	18.8

5. Asset Investment and Yields

Properties	Investment £m	Yield %
Existing Commercial Estate	20.80	10.2
Stonehill, Huntingdon	1.36	9.2
Wilbury Way, Hitchin	2.31	7.6
Shawlands Retail Park, Sudbury	6.89	6.7
Parkway, Fareham	5.69	7.4
CCLA Property Fund	4.00	4.2
Note: The yields for Stonehill, Wilbury Way, Shawlands and Fareham, include initial investment costs, the existing estate yield does not.		

6. CIS Reserve Balance

Reserve Balance	£m
Reserve Balance as at 31st March 2018	3.60
Investments	0.00
Balance at 30th September 2018	3.60

7. Loan to Value and Debt to Income Indicators

Investments in Stonehill Huntingdon, Wilbury Way Hitchin and Shawlands Sudbury, were financed by a contribution from an earmarked reserve, and therefore the indicators do not apply. The indicators for Parkway Fareham are;

Property	Loan to Value	Debt to Income
Parkway, Fareham	92.2%	33.0%

8. Analysis of Investment Propositions

Potential CIS investments are being continually investigated. The table below lists the 38 opportunities that were examined, and if they were not proceeded with, why.

Action	No. of Cases
Purchased	0
Currently under offer	1
Under investigation	2
Out bid	1
Out of district - rejected	34
Total	38