

Appendix 1 - 2017/18 Prudential Indicators

		Mar-17	Mar-18
		Indicator for 17/18	Actual for 17/18
<u>Borrowing Indicators</u>			
Operational Boundary			
	Borrowing	452,744	307,755
	Other Long term liabilities	51,280	51,280
	Total	504,024	359,035
Authorised Limit			
	Borrowing	457,744	307,755
	Other Long term liabilities	51,280	51,280
	Total	509,024	359,035

The operational boundary is an estimate of the most likely level of external debt, whereas the authorised limit is the absolute approved limit. These are measured against actual external debt which includes all long and short term debt and PFI liabilities, but excludes investments. The 2017/18 estimate figure is set £20m above the anticipated requirement, this provides an approved contingency within the budget.

Affordability Indicator

Ratio of financing costs to net revenue stream

	Mar-17 Indicator for the year	Mar-18 Actual for the year
HRA	41.30%	44.30%
Non HRA	8.30%	8.10%

This indicator is a measure of Net Debt Charges as a percentage of budget (Primarily debt repayments, principal and interest, less interest earned). The main change for the HRA is the level of capital spend compared with the forecasts, the forecast was based on an estimated Major Repairs Allowance (MRA) charge of £16.5m of spend which is compared with an actual charge £18.4m (including revenue contributions to capital). The MRA represents the amount of depreciation on the assets held by the HRA (this is equivalent to the MRP charge in the general fund).

Capital Financing Requirement: (CFR)

	Mar-17 Indicator for the year	Mar-18 Actual for the year
HRA	114,532	114,015
Non-HRA	318,212	322,256
PFI liabilities	51,280	51,280
Total	484,024	487,551

The CFR represents the overall borrowing requirement to finance capital expenditure that hasn't been funded from other resources such as capital receipts, grant, or revenue contributions

Capital Expenditure Projections

	Approved Capital Budget	Actual Spend in year
HRA	48,183	31,918
Non-HRA	51,577	38,798
Total	99,760	70,716

The 17/18 indicator shows the total capital programme approved as at the start of 2017/18 over all years, whereas the actual figure represents expenditure actually incurred. The difference represents scheme expenditure still to be incurred.

Prudential Indicators

Debt and the CFR

	Mar-17 Indicator for the year	Mar-18 Actual for the year
Gross Borrowing	297,756	307,755
CFR (incl. PFI liabilities)	484,024	487,551

The CFR represents the underlying borrowing requirement. Gross Borrowing, which represents all debt and financing liabilities, should not exceed, except in the short-term, the CFR.