

Appendix 1 - 2016/17 Prudential Indicators

		Mar-16	Mar-17
		Indicator for 16/17	Actual for 16/17
<u>Borrowing Indicators</u>			
Operational Boundary			
	Borrowing	323,562	298,256
	Other Long term liabilities	51,280	52,810
	Total	374,842	351,066
Authorised Limit			
	Borrowing	393,138	298,256
	Other Long term liabilities	56,280	52,810
	Total	449,418	351,066

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 2016/17 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-16	Mar-17
	Indicator for 16/17	Actual for 16/17
HRA	38.16%	41.93%
Non HRA	9.65%	7.78%

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 £14.9m of spend which is compared with an actual charge £16.8m. 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). The change in the General Fund is a direct result of the changes to the MRP policy.

Capital Financing Requirement: (CFR)

	Mar-16	Mar-17
	Indicator for 16/17	Actual for 16/17
HRA	125,532	125,532
Non-HRA	267,606	279,942
PFI liabilities	51,280	52,810
Total	444,418	458,284

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 2016/17
HRA	31,699	20,126
Non-HRA	77,017	38,200
Total	108,716	58,326

The 16/17 indicator shows the total capital programme approved as at the start of 2016/17 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-16	Mar-17
	Indicator for 16/17	Actual for 16/17
Gross Borrowing	374,842	351,066
CFR (incl. PFI liabilities)	444,418	458,284

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.