

Estimated and Forecast Treasury Position and Prudential Indicators

		2020/21 Original Indicator £m	2020/21 Latest Approved Indicator £m	2020/21 Current Forecast £m	Comments
1	Capital Financing Requirement (CFR) Estimate at 31 March CFR - Housing CFR – Non-Housing PFI/PPP (Other long-term liabilities) Total CFR	173.138 236.212 <u>57.472</u> 466.822	172.865 237.107 <u>54.538</u> 464.510	172.238 228.374 <u>54.538</u> 455.150	The CFR provides a measure of the Council's level of long-term debt used to finance capital expenditure. It is increased each year by any new borrowing requirement and decreased by the statutory revenue charge for the repayment of debt (Minimum Revenue Provision) plus any additional voluntary repayment.
2	Estimated Treasury Position at 31 March Gross Borrowing PFI/PPP (Other long-term liabilities) Total Debt	310.252 <u>57.472</u> 367.724	312.193 <u>54.538</u> 366.731	302.833 <u>54.538</u> 357.371	Over the medium-term, borrowing will only be for a capital purpose. Gross external borrowing should not, except for the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and the next two financial years. <i>The level of borrowing in the current year reflects the decision not to undertake borrowing up to the CFR. This is because the Council is utilising cash balances to temporarily reduce borrowing costs.</i>
3	Authorised Limit (against maximum position) for External Debt Maximum Allowable Borrowing PFI / PPP (Other long-term liabilities) Total	426.211 <u>57.472</u> 483.683	427.106 <u>54.538</u> 481.644	418.374 <u>54.538</u> 472.912	The authorised limit represents the limit beyond which borrowing is prohibited. Although the forecast position has changed since last reported, the authorised limit remains at £481.644 million until such time that it is amended by Full Council.
4	Operational Boundary for External Debt Borrowing PFI / PPP (Other long-term liabilities) Estimated Debt Operational Boundary	310.252 <u>57.472</u> 367.724 400.000	312.193 <u>54.538</u> 366.731 400.000	302.833 <u>54.538</u> 357.371 390.000	The operational boundary is an indicator based on the probable level of external debt. It is not an overall limit, but an expectation of activity.

Appendix C

5	Ratio of financing costs to net revenue stream General Fund HRA	12.61% 18.25%	12.07% 18.32%	11.66% 18.27%	The ratio of financing costs indicator shows the proportion of the Council's budget required to fund the interest and minimum revenue provision payments associated with the Council's debt.
6	Incremental impact of capital investment decisions on the Band D council tax	£26.98	£26.98	£30.09	This indicator identifies the notional impact on Council Tax payers of the non-housing prudential borrowing programme.
7	Incremental impact of capital investment decisions on the housing rent levels	£10.80	£10.80	£5.53	This indicator identifies the notional impact on housing rents of the housing prudential borrowing programme.
8	Upper limits on fixed interest rates (against maximum position)	100%	100%	100%	This indicator is to set a maximum limit for fixed interest rates.
9	Upper limits on variable interest rates (against maximum position)	30%	30%	30%	This indicator is to set a maximum limit for variable interest rates, based on the Council's risk appetite.
10	Maturity structure of fixed rate borrowing (against maximum position)	%	%	% Forecast Actual	These gross limits are set to manage the Council's exposure to maturing fixed rate loans.
	Under 12 months	20.0	20.0	1.6	
	12 months to 2 years	20.0	20.0	0.1	
	2 years to 5 years	50.0	50.0	0.4	
	5 years to 10 years	50.0	50.0	2.3	
	10 years to 20 years	60.0	60.0	5.1	
	20 years to 30 years	60.0	60.0	15.9	
	30 years to 40 years	80.0	80.0	51.6	
	40 years to 50 years	80.0	80.0	23.0	
	50 years and above	80.0	80.0	0.0	
11	Maximum principal funds invested longer than 365 days	£15m	£15m	£0m	This limit is set to maintain sufficient liquidity for the Council's investments.