

Information Sheet - Overview

Treasury Management Policy Statement (Appendix A)

Unchanged

Annual Treasury and Investment Strategy 2017/18 (Appendix B)

Changes to Prudential Indicators

The following indicators will change year on year and are as a direct consequence of changes to the Capital programme, for this purpose comparative figures are not detailed.

Capital Expenditure (Table 1)

Capital Expenditure Financing (Table 2)

Capital Financing Requirement (Table 3)

Movement in Capital Financing Requirement (Table 4)

Year End Resources (Table 5)

Incremental Impact of Capital Investment Decisions (Table 7 & Table 8)

Council's Treasury Position (Table 11)

Indicator – Ratio of Financing Costs to Net Revenue Stream (Table 6)

Calculation is undertaken by taking the budgeted level of borrowing and estimating the level of revenue resources required to service the debt. This is shown as a percentage of the Net General Fund Revenue Stream and for the HRA the net HRA revenue stream. The change for the General Fund results from including commercial investments of £20m each year from 2017/18; any borrowing costs would be offset from additional income.

Indicator - Ratio of Financing Costs to Net Revenue Stream - General Fund	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	%	%	%	%	%	%	%
February 17 Report	1.58	5.24	8.01	20.42	33.27	44.89	55.72
March 16 Report	7.18	8.57	10.89	12.61	13.95	15.19	n/a

Indicator - Ratio of Financing Costs to Net Revenue Stream - HRA	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	%	%	%	%	%	%	%
February 17 Report	11.43	11.03	10.69	10.28	9.89	9.40	8.91
March 16 Report	11.50	11.12	10.68	10.29	9.90	10.00	n/a

Indicator – Ratio of HRA Debt to HRA Revenues (Table 9)

The table below shows the ratio of HRA debt to HRA revenues. HRA revenues are based on the HRA Business Plan.

Indicator - Ratio of HRA Debt To HRA Revenues	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	%	%	%	%	%	%	%
February 17 Report	420	402	383	364	342	321	281
March 16 Report	452	429	383	364	322	302	n/a

Indicator – Ratio of HRA Debt to Number of Dwellings (Table 10)

The table below shows the ratio of HRA debt to the number of HRA dwellings. The number of HRA dwellings in 2016/17 is based on the latest projections for the year while from 2017/18 onwards it is based on the HRA MTFs.

Indicator - Ratio of HRA Debt To Number of Dwellings	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
February 17 Report	18.07	17.37	16.60	15.83	14.92	14.01	13.09
March 16 Report	18.22	17.33	16.56	15.80	14.89	13.97	n/a

Indicator – Operational Boundary (Table 12)

The Operational Boundary identifies the probable level of borrowing comparisons to those reported in March 2016, to those now being reported are detailed in the table below:

The Operational Boundary has been aligned to the Capital Financing Requirement (CFR) and ensures that if it becomes more advantageous to borrow externally rather than use internal resources the Council is able to take advantage of these rates.

Indicator – Operational Boundary	2015/16 £ 000's	2016/17 £ 000's	2017/18 £ 000's	2018/19 £ 000's	2019/20 £ 000's	2020/21 £ 000's	2021/22 £ 000's
February 17 Report	90,000	88,000	105,000	121,000	137,000	151,000	166,000
March 16 Report	90,000	89,000	88,000	86,000	84,000	82,000	n/a

Indicator – Authorised Limit (Table 13)

The Authorised Limit is set £5m higher than the Operational Boundary. This ensures that there is scope for the Council to borrow short term if the Council were experiencing Cash flow difficulties. This is something the Council does not envisage requiring, however, there is a statutory requirement to set these limits and £5m above the Operational Boundary is considered a prudent level.

The Authorised Limit sets out to identify the maximum level of possible borrowing. Comparisons to those reported in March 2016, to those now being reported are detailed in the table below:

Indicator - Authorised Limit	2015/16 £ 000's	2016/17 £ 000's	2017/18 £ 000's	2018/19 £ 000's	2019/20 £ 000's	2020/21 £ 000's	2021/22 £ 000's
February 17 Report	95,000	93,000	110,000	126,000	142,000	156,000	171,000
March 16 Report	95,000	94,000	93,000	91,000	89,000	87,000	n/a

Indicator –HRA Debt Limit (Table 14)

Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This is in accordance with the settlement and was prescribed as part of the self-financing determination.

Indicator – HRA Headroom	2015/16 £ 000's	2016/17 £ 000's	2017/18 £ 000's	2018/19 £ 000's	2019/20 £ 000's	2020/21 £ 000's	2021/22 £ 000's
February 17 Report	11,924	14,861	17,861	20,861	24,361	27,861	31,361
March 16 Report	11,359	14,859	17,859	20,859	24,359	27,859	n/a

Indicator – Interest Rate Exposure (Table 15)

Unchanged

Indicator – Principal Sums Invested for Periods Longer than 364 Days (Table 17)

The change in this indicator reflects discussions with the Council treasury Advisors, limiting investments for periods over 364 days.

Unchanged

Investment Policy – Creditworthiness

Unchanged