

## **Prudential Indicators and Treasury Management Targets**

	<b>Budget/ Year End Position 2020/21</b>	<b>Forecast/ Actual Quarter 1</b>
<b><u>Prudential Indicators</u></b>		
<b>1 Capital Expenditure</b> This indicator is a summary of The Council's capital expenditure plans.  2020/21 Estimate	£14,046,000	£17,962,000 projected
<b>2 The Council's Borrowing Need</b> This indicator is the Council's Capital Financing Requirement (CFR) which is the historic outstanding capital expenditure which has not yet been paid for either from revenue or capital resources. It is essentially a measure of the Council's indebtedness and so is its underlying borrowing need.  Property Investment Dowding House Strategic Land Acquisition Calverley Square Property Purchase Waste Bins 2019/20 Actual  Property Investment Dowding House Strategic Land Acquisition Calverley Square Property Purchase Waste Bins 2020/21 Estimate	£1,567,000 £2,049,000 £1,007,000 £511,000 £665,000 £5,799,000	£1,496,000 £1,960,000 £966,000 £489,000 £598,000 £5,509,000 projected
<b>3 Core Funds and Expected Investment Balances</b> The application of resources to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources.  2019/20 Closing Investments Amount  2020/21 Estimate Closing Investments Amount	£35,090,000	£20,000,000 projected (Year to date £46,500,000

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<b>4 Ratio of Financing Costs to Net Revenue Streams</b> This indicator identifies trends in the cost of capital, borrowing and long term obligation costs of net investment income, against net revenue stream.  Net Cost of Services Estimate Borrowing Costs Estimate Percentage	£11,654,000 £7,000 0.06%	£18,012,000 £7,000 0.04% projected
<b><u>Treasury Indicators</u></b>		
<b>1 Authorised Limit for External Debt</b> The Council is expected to set a maximum authorised limit for external debt. This limit should not be exceeded and is therefore calculated on the basis of the worst case scenario for cash flow requirements in the short term.  Authorised limit for external debt Other long term liabilities Total	£92,000,000 £5,000,000 £97,000,000	£1,000,000 £4,301,000 £5,301,000 actual
<b>2 Operational boundary for external debt</b> The Council is required to set an operational boundary for external debt. This indicates the most likely maximum level of external debt for cash flow requirements in the short term. This indicator may be breached temporarily for operational reasons.  Operational boundary for external debt Other long term liabilities Total	£92,000,000 £5,000,000 £97,000,000	£1,000,000 £4,301,000 £5,301,000 actual

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<b><u>Treasury Management Targets</u></b>		
<b>1 Target Investment Interest Rate</b> Base Rate 0.10% from 19 March 2020 onwards  Investment Income Bank Interest Average	2.28% 0.65% 1.81%	1.04% projected
<b>2 Longer term investment decisions</b> Made in the context of a minimum investment rate of	0.75%	No long term Investments made
<b>3 Cash flow</b> Overall cash flow to be managed to achieve a nil borrowing requirement although borrowing will be considered an option where it is prudent to do so	Nil	Nil

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<b><u>Other Key Data</u></b>		
<b>1 Estimated average equated sums for investment 2020/21</b> Total	£35,000,000	£43,000,000 projected
<b>2 Investment Income</b> Investment Income Bank Interest Total	£594,000 £39,000 £633,000	£446,000 projected  (Year to date £146,000)
<b>3 Interest Paid on PWLB Loan</b>	£7,000	£7,000 projected  (Year to date £6,000)
<b>4 Actual Investments at end of quarter</b> Total Investments		£46.5 million