

APPENDIX C: Prudential Indicators and Treasury Management Targets

	Budget/ Year End Position 2020/21	Forecast Quarter 3	Actual Quarter 4
Prudential Indicators			
1 Capital Expenditure			
This indicator is a summary of The Council's capital expenditure plans.			
2020/21 Estimate	£14,046,000	£15,894,000 projected	£11,567,000 actual
2 The Council's Borrowing Need			
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	£1,567,000		
Dowding House	£2,049,000		
Strategic Land Acquisition	£1,007,000		
Calverley Square Property Purchase	£511,000		
Waste Bins	£665,000		
2019/20 Actual	£5,799,000		
Property Investment		£1,496,000	£1,496,000
Dowding House		£1,960,000	£1,960,000
Strategic Land Acquisition		£966,000	£966,000
Calverley Square Property Purchase		£489,000	£489,000
Waste Bins		£598,000	£598,000
Civic Site Essential Works		£1,442,000	£95,000
Total		£6,951,000 projected	£5,604,000 actual
3 Core Funds and Expected Investment Balances			
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	£35,090,000		
2020/21 Estimate Closing Investments Amount		£23,000,000 projected	£34,600,000 actual *
* Note: £8 million of grant income from Government was held at year end relating to Covid-19 grants awaiting payment to businesses			

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<p>4 Ratio of Financing Costs to Net Revenue Streams This indicator identifies trends in the cost of capital, borrowing and long term obligation costs of net investment income, against net revenue stream.</p> <p>Net Cost of Services Estimate Borrowing Costs Estimate Percentage</p>	<p>£11,654,000 £7,000 0.06%</p>	<p>£19,484,000 £7,000 0.04% projected</p>	<p>£18,214,000 £7,000 0.04% actual</p>
Treasury Indicators			
<p>1 Authorised Limit for External Debt 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.</p> <p>Authorised limit for external debt Other long term liabilities (S106 with repayment conditions) Total</p>	<p>£92,000,000 £5,000,000 £97,000,000</p>	<p>£0 £4,239,000 £4,239,000 actual</p>	<p>£0 £3,058,000 £3,058,000 actual</p>
<p>2 Operational boundary for external debt 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.</p> <p>Operational boundary for external debt Other long term liabilities (S106 with repayment conditions) Total</p>	<p>£92,000,000 £5,000,000 £97,000,000</p>	<p>£0 £4,239,000 £4,239,000 actual</p>	<p>£0 £3,058,000 £3,058,000 actual</p>

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<u>Treasury Management Targets</u>			
<p>1 Target Investment Interest Rate Base Rate 0.10% from 19 March 2020 onwards</p> <p>Investment Income 2.28% Bank Interest 0.65% Average 1.81%</p>		1.22% projected	1.22% actual
<p>2 Longer term investment decisions Made in the context of a minimum investment rate of</p>	0.75%	No long term Investments made	No long term Investments made
<p>3 Cash flow 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</p>	Nil	Nil	Nil

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<u>Other Key Data</u>			
1 Estimated average equated sums for investment 2020/21 Total	£35,000,000	£48,000,000 projected	£49,900,000 actual
2 Investment Income Investment Income Bank Interest Total	£594,000 £39,000 £633,000	£586,000 projected	£608,000 actual
3 Interest Paid on PWLB Loan	£7,000	£7,000 projected	£7,000 actual
4 Actual Investments & Bank Account at end of quarter Total		£46,000,000 actual	£34,600,000 actual