

APPENDIX C: Prudential Indicators and Treasury Management Targets

	Budget/ Year End Position 2019/20	Forecast Quarter 3	Actual Quarter 4
Prudential Indicators			
<p>1 Capital Expenditure This indicator is a summary of The Council's capital expenditure plans.</p> <p>2019/20</p>	£15,617,000	£7,439,000 projected	£1,390,000 actual
<p>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.</p> <p>Property Investment Dowding House Strategic Land Acquisition Calverley Square 2018/19 Actual</p> <p>Property Investment Dowding House Strategic Land Acquisition Waste Bins Property Investment 2019/20</p>	<p>£1,638,000 £2,138,000 £1,050,000 £4,974,000 £9,800,000</p>	<p>£1,567,000 £2,049,000 £1,007,000 £680,000 £511,000</p>	<p>£1,567,000 £2,049,000 £1,007,000 £665,000 £511,000</p>
<p>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.</p> <p>2018/19 Closing Investments Amount</p> <p>2019/20</p>	<p>£22,000,000 £22,000,000</p>	<p>£5,814,000 projected</p> <p>£29,000,000 projected (Year to date £40,000,000)</p>	<p>£5,799,000 actual</p> <p>£28,500,000 actual</p>

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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 Borrowing Costs Percentage</p>	<p>£12,493,000 £50,000 0.40%</p>	<p>£18,919,000 £50,000 0.26% projected</p>	<p>£18,673,000 £50,000 0.27% actual</p>
<u>Treasury Indicators</u>			
<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</p>	<p>£97 million</p>	<p>£2 million actual</p>	<p>£1 million 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</p>	<p>£97 million</p>	<p>£2 million actual</p>	<p>£1 million actual</p>

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<u>Treasury Management Targets</u>			
<p>1 Target Investment Interest Rate Base Rate 0.75% from 2 August 2018 to 10 March 2020. 0.25% from 11 March 2020 to 18 March 2020. 0.10% from 19 March onwards.</p> <p>Investment Income 2.09% Bank Interest 0.65% Average 1.74%</p>		1.74% projected	1.74% actual
<p>2 Longer term investment decisions Made in the context of a minimum investment rate of</p>	0.75%	One long term investment made @ 1.10%	One 12 month investment made @ 1.10% One 12 month investment made @ 1.05%
<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 2019/20			
Investment Sums	£34,500,000		
Bank Sums	£5,000,000		
Total	£39,500,000	£42,000,000 projected	£43,290,000 actual
2 Investment Income			
Investment Income	£654,000		
Bank Interest	£33,000		
Total	£687,000	£729,000 projected	£755,000 actual
		(Year to date £550,000)	
3 Interest Paid on PWLB Loan	£50,000	£50,000 projected	£50,000 actual
		(Year to date £43,000)	
4 Actual Investments at end of quarter			
Total Investments		£40.0 million	£28.5 million