

## GENERAL FUND AND HRA CAPITAL OUTTURN 2018/19 – PRUDENTIAL INDICATORS

1. Table 1 below reports the movement in the total capital programme since last reported and updates the prudential indicators up to and including 2022/23. These indicators reflect the change made in this report.

Table 1 – Figures for Prudential Indicators

	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M
Latest Programme	91.39	132.33	76.34	50.00	57.62
Previous Programme	124.57	104.95	70.99	47.56	57.62
Movement	<b>(33.18)</b>	<b>27.38</b>	<b>5.35</b>	<b>2.44</b>	<b>0.00</b>

2. When the strategy was last updated in February 2019, the CFR for 31 March 2019 was estimated at £510.60M, the Council's actual CFR at the end of the year was £496.75M. This decrease was due to the variance in the capital programme, £4.91M on the General Fund and £8.94M on HRA. The capital financing requirement for future years, based on the proposed programme, is detailed in table 2 below.

3. Table 2 – Current and Estimated Capital Financing Requirement

	31/03/19 Actual £M	31/03/19 Forecast £M	Variance £M	31/03/21 Estimate Forecast £M	31/03/22 Estimate Forecast £M	31/03/23 Estimate Forecast £M
Balance Brought forward	322.03	322.03	0.00	343.54	345.68	347.82
New Borrowing	19.41	24.47	(5.06)	11.63	11.96	18.59
MRP	(5.65)	(5.65)	0.00	(6.09)	(6.01)	(6.20)
Appropriations (to) from HRA	0.00	0.00	0.00	0.00	0.00	0.00
Movement in Other Liabilities	(2.33)	(2.47)	0.14	(3.40)	(3.81)	(3.50)
MRP Holiday	0.56	0.55	0.01	0.00	0.00	0.00
<b>Total General Fund Debt</b>	<b>334.02</b>	<b>338.93</b>	<b>(4.91)</b>	<b>345.68</b>	<b>347.82</b>	<b>356.71</b>
HRA	162.73	171.67	(8.94)	183.24	185.55	192.46
<b>Total CFR</b>	<b>496.75</b>	<b>510.60</b>	<b>(13.85)</b>	<b>528.92</b>	<b>533.37</b>	<b>549.17</b>
Estimated Debt	317.76	343.44	(25.68)	371.78	376.22	392.38
<b>Under / (Over) Borrowed</b>	<b>178.99</b>	<b>167.16</b>	<b>11.83</b>	<b>157.14</b>	<b>157.15</b>	<b>156.79</b>

4. The estimated gross debt reported in February 2019 was £343.44M, the actual debt at the end of the year was £317.76M. This decrease was due to a reduction in the short term borrowing requirement of £25.68M. Table 3 below details this and the estimated debt in future years based on the proposed programme.

5. Table 3 – Current and Estimated Gross Debt

	31/03/19 Actual	31/03/19 Forecast	Variance	31/03/21 Estimate Forecast	31/03/22 Estimate Forecast	31/03/23 Estimate Forecast
	£M	£M	£M	£M	£M	£M
Borrowing (Long Term GF)	68.93	68.93	0.00	113.63	119.59	131.99
Borrowing (Long Term HRA)	137.41	137.41	0.00	183.37	185.66	192.56
Borrowing (Short Term)	40.35	66.17	(25.82)	10.35	10.35	10.35
<b>Total Borrowing</b>	<b>246.69</b>	<b>272.51</b>	<b>(25.82)</b>	<b>307.35</b>	<b>315.60</b>	<b>334.90</b>
Finance leases and Private Finance Initiatives	56.88	56.74	0.14	50.96	47.52	44.37
Transferred Debt	14.19	14.19	0.00	13.46	13.10	13.10
<b>Total Other Debt</b>	<b>71.07</b>	<b>70.93</b>	<b>0.14</b>	<b>64.42</b>	<b>60.62</b>	<b>57.47</b>
<b>Total Debt</b>	<b>317.76</b>	<b>343.44</b>	<b>(25.68)</b>	<b>371.77</b>	<b>376.22</b>	<b>392.37</b>

6. Table 4 below shows the ratio of financing costs to net revenue stream based on the proposed capital programme. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on the forecast of net revenue expenditure in the medium term financial model. The upper limit for this ratio is currently set at 10% and will remain so for the General Fund to allow for known borrowing decisions in the next two years and to allow for additional borrowing affecting major schemes.

7. This indicator is not so relevant for the HRA, especially since the introduction of self-financing, as financing costs have been built into their 30 year business plan including the voluntary payment of MRP, which is the main contributor for the increase in 2018/19. No problem is seen with the affordability but if problems were to arise then the HRA would have the option not to make principle repayments in the early years, which it has opted to do for 2019/20 & 2020/21.

8. Table 4 - Ratio of Financing Costs to Net Revenue Stream

	2018/19 Actual	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast
	%	%	%	%	%
General Fund	6.23	7.70	9.03	8.97	8.82
HRA	14.69	6.99	6.57	9.09	7.41
<b>Total</b>	<b>20.92</b>	<b>14.69</b>	<b>15.60</b>	<b>18.06</b>	<b>16.23</b>