

**PRUDENTIAL INDICATORS 2016/17**

The 2016/17 Prudential Indicators were agreed by Council on 23 February 2016 (column 1). This is now compared with the 2016/17 actual position as at the end of the second quarter, 30<sup>th</sup> September 2016 (column 2).

Certain Treasury Management indicators must be monitored throughout the year on a regular basis in order to avoid breaching agreed limits. The capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and none of the other approved Prudential Indicators set for 2016/17 have been breached.

<b><i>Capital Expenditure</i></b>		
	2016/17 £000 Reported Indicator	2016/17 £000 Projection for the Year at Q2
Non-HRA	48,799	51,820
HRA	22,270	21,526
<b>Total</b>	<b>71,069</b>	<b>73,346</b>
To reflect the reported capital monitoring agreed by Council during the year		

<b><i>Ratio of Financing Costs to Net Revenue Stream</i></b>		
	2016/17 Reported Indicator	2016/17 Projection for the Year at Q2
Non-HRA	13.77%	N/A
HRA	46.36%	N/A

<b><i>Capital Financing Requirement</i></b>		
	2016/17 £000 Reported Indicator	2016/17 £000 Projection for the Year at Q2
Non-HRA	286,297	308,144
HRA	345,505	345,505

<b>Authorised Limit for External Debt</b>	
	2016/17 £000 Reported Indicator
Borrowing	750,000
Other Long Term Liabilities	0
<b>Total</b>	<b>750,000</b>
Maximum YTD <b>£617.319m</b>	

<b>Operational Boundary for External Debt</b>	
	2016/17 £000 Reported Indicator
Borrowing	725,000
Other Long Term Liabilities	0
<b>Total</b>	<b>725,000</b>
Maximum YTD <b>£617.319m.</b>	

The Council's actual external debt at 30<sup>th</sup> September 2016 was £593.721 million. It should be noted that actual external debt is not directly comparable to the Authorised Limit and Operational Boundary, since the actual external debt reflects the position at one point in time.

### ***Estimated Incremental Impact on Council Tax and Housing Rents***

This indicator is set at the time the Council's budget is set. Therefore, there is no requirement for this Indicator to be monitored on a quarterly or annual basis.

### ***Adherence to CIPFA code on Treasury Management***

The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.

<b>UPPER LIMIT ON FIXED AND VARIABLE INTEREST RATES EXPOSURES</b>		
Range	2016/17 £000 Reported Indicator	2016/17 £000 YTD Position
Fixed Rate	624,164 357,170	Act 493,470 max 504,433 min 468,307
Variable	152,227 (30,000)	Act 37,000 max 41,000 min 18,000
All within agreed limits. (Max and Min YTD.)		

<b>Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing</b>				
	2016/17 £000 Reported Indicator		2016/17 £000 Actual Position	
	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Actual Percentage</b>	<b>Maximum YTD</b>
Under 12 months	20%	0%	1.61%	6.18%
12 months to 24 months	20%	0%	9.31%	10.50%
24 months to 5 years	50%	0%	17.73%	19.61%
5 years to 10 years	50%	0%	6.65%	8.06%
10 years to 20 years	50%	0%	15.39%	15.39%
20 years to 30 years	50%	0%	0.00%	0.00%
30 years to 40 years	50%	0%	11.60%	11.60%
40 years to 50 years	60%	0%	27.95%	28.79%
50 years and above	30%	0%	6.40%	6.40%
All within agreed limits.				

On 8 March 2007, Council agreed to the placing of investments for periods of longer than 364 days in order to maximise investment income before forecasted cuts in interest rates. An upper limit was set and agreed as a new Prudential Indicator.

<b>Upper Limit on amounts invested beyond 364 days</b>			
	2016/17 £000 Reported Indicator	2016/17 £000 Actual Position	2016/17 £000 Maximum YTD
Investments	<b>15,000</b>	<b>0</b>	<b>0</b>