

**PRUDENTIAL INDICATOR MONITORING**

The following tables and paragraphs provide an overview of the main changes to the General Fund Prudential Indicators set in February 2016 as part of the 2016/17 Council Tax setting processes. Where relevant a comparison between budgeted and actual indicators is also provided.

**1. Gross Capital Expenditure – General Fund**

Table 1 – 2015/16 Actual, 2016/17 to 2019/20 Estimates

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Estimated gross capital expenditure per 2016/17 Prudential Indicators	35.082	49.700	32.387	18.327	16.952
Actual / revised estimated gross capital expenditure per 2017/18 Prudential Indicators	48.277	31.577	42.722	27.361	24.558
Movement	+ 13.195	- 18.123	+ 10.335	+ 9.034	+ 7.606

The above movements reflect the changes which have arisen in the Council's budgeted gross capital expenditure as detailed in the 2016/2021 Financial Plan (report 60/17 refers), including project rephasing, reclassification of expenditure from R&R to capital and the inclusion of new priority projects.

**2. Estimates of Capital Financing Requirement - General Fund**

Table 2 – 2015/16 Actual, 2016/17 to 2019/20 Estimates

	Actual As At 31/03/16 £m	Estimate As At 31/03/17 £m	Estimate As At 31/03/18 £m	Estimate As At 31/03/19 £m	Estimate As At 31/03/20 £m
Estimated capital financing requirement per 2016/17 Prudential Indicators	209.053	217.380	227.608	254.533	245.813
Actual / revised capital financing requirement per 2017/18 Prudential Indicators	217.550	252.176	256.294	247.479	237.768
Movement	+ 8.497	+ 34.796	+ 28.686	- 7.054	- 8.045

The above movements in the estimated capital financing requirement reflect a number of different factors, including:

- the changes which have arisen in the Council's budgeted capital expenditure, in particular the aforementioned rephasing and reclassification of some projects;
- the level of new borrowing incurred;
- the repayment of principal made in year; and
- the special repayments of debt which have been, and will continue, to be made.

The revised capital financing requirement has been established with each of these factors having been taken into account, hence the significant variances when compared with the position previously reported.

**3. Estimates Of Ratio Of Financing Costs To Net Revenue Stream - General Fund**

Table 3 – 2015/16 Actual, 2016/17 to 2019/20 Estimates

	2015/16	2016/17	2017/18	2018/19	2019/20
Estimated ratios per 2016/17 Prudential Indicators	8.86%	8.71%	9.97%	10.35%	10.99%
Actual / revised ratios per 2017/18 Prudential Indicators	8.95%	9.32%	10.21%	10.81%	10.59%
Movement	+ 0.09%	+ 0.61%	+ 0.24%	+ 0.46%	- 0.40%

#### **4. Estimates Of The Incremental Impact Of Capital Investment Decisions On The Council Tax**

Table 4 - 2017/18 to 2019/20 Estimates

	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Estimated impact per 2016/17 Prudential Indicators	£nil	£nil	£nil
Revised impact per 2017/18 Prudential Indicators	£nil	£nil	£nil
Movement	£nil	£nil	£nil

#### **5. Gross Borrowing And The Capital Financing Requirement**

The Council continues to meet the requirements of this indicator so there is nothing further to report in this regard.

#### **6. Authorised Limit**

Table 5 – Authorised Limit

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Limit per 2016/17 Prudential Indicators	302.394	335.372	331.849	330.326
Revised Limit per 2017/18 Prudential Indicators	337.394	334.872	331.349	329.826
Movement	+ 35.000	- 0.500	- 0.500	- 0.500

The movement in the authorised limit relates to the inclusion of the Forfar Academy Community Campus liability which will be brought into Angus Council's balance sheet at the 2016/17 year end.

#### **7. Operational Boundary**

Table 6 – Operational Boundary

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Limit per 2016/17 Prudential Indicators	287.394	320.372	316.849	315.326
Revised Limit per 2017/18 Prudential Indicators	322.394	319.872	316.349	314.826
Movement	+ 35.000	- 0.500	- 0.500	- 0.500

As with the authorised limit above, the movement in the operational boundary relates to the inclusion of the Forfar Academy Community Campus liability which will be brought into Angus Council's balance sheet at the 2016/17 year end.

#### **8. Actual External Debt**

The Council's actual external debt (comprising of borrowing, finance lease liabilities and PPP / PFI liabilities) has decreased by £3.070 million (net), from £246.304 million to £243.234 million, between 1 April 2015 and 31 March 2016. The actual external debt reflects the position at a particular point in time.

#### **9. Adoption of the CIPFA Code of Practice for Treasury Management**

The Council continues to adopt the CIPFA Code of Practice for Treasury Management in the Public Services, the latest version of the Code being adopted by the Council in March 2010 (report 244/10 refers). The Code was updated in 2011 however no formal adoption of the revised version was required. It is however confirmed that the Council is now following the 2011 edition of the Code.