

## Prudential and treasury indicators forecast 2017-2020

### General Fund

**Table 1: Capital Expenditure and funding**

	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000
<b>WBC Capital budget</b>	<b>152,849</b>	<b>92,293</b>	<b>128,971</b>
<b>Funded by</b>			
Section 106/ Community infrastructure levy	44,448	32,146	37,468
Grants & Contributions	19,784	13,786	15,705
Reserves & Capital Receipts	6,090	5,750	8,150
Borrowing	82,527	40,611	67,648
<b>Total</b>	<b>152,849</b>	<b>92,293</b>	<b>128,971</b>

**Table 2: Capital financing requirement: General Fund**

	2016/17 Estimated Outturn £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000
<b>Opening balance (estimated)</b>	<b>118,580</b>	<b>119,013</b>	<b>197,975</b>	<b>235,021</b>
Capital expenditure funded by Borrowing	3,672	82,527	40,611	67,648
<b>Sub Total</b>	<b>122,252</b>	<b>201,540</b>	<b>238,586</b>	<b>302,669</b>
<b>Less Minimum Revenue Provision</b>				
MRP Charge	(3,024)	(3,350)	(3,350)	(3,350)
PFI Principal Charge	(215)	(215)	(215)	(215)
<b>Sub Total</b>	<b>(3,239)</b>	<b>(3,565)</b>	<b>(3,565)</b>	<b>(3,565)</b>
<b>Closing Balance</b>	<b>119,013</b>	<b>197,975</b>	<b>235,021</b>	<b>299,104</b>
<b>Movement</b>	<b>433</b>	<b>78,962</b>	<b>37,046</b>	<b>64,083</b>

**Table 3: % Ratio of financing costs to net revenue stream**

	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000
<b>Financing Costs (including MRP &amp; interest costs)</b>	<b>4,365</b>	<b>4,387</b>	<b>4,431</b>
<b>Divide By</b>			
Net Revenue Stream	129,176	127,833	125,490
<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>3.38%</b>	<b>3.43%</b>	<b>3.53%</b>

The percentage of the revenue budget set aside each year to service debt financing costs is shown above.

<b>Table 4: Incremental impact of capital investment decisions on council tax</b>	<b>2016/17 Estimated Outturn £'000</b>	<b>2017/18 Budget £'000</b>	<b>2018/19 Budget £'000</b>	<b>2019/20 Budget £'000</b>
Council tax - band D	N/A	(3.44)	(3.95)	(4.80)

**HRA**

<b>Table 5: Capital financing requirement: HRA</b>	<b>2016/17 Estimated Outturn £'000</b>	<b>2017/18 Budget £'000</b>	<b>2018/19 Budget £'000</b>	<b>2019/20 Budget £'000</b>
<b>Opening balance (estimated)</b>	<b>93,876</b>	<b>90,400</b>	<b>88,650</b>	<b>85,552</b>
<b>Capital expenditure funded by Borrowing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub Total</b>	<b>93,876</b>	<b>90,400</b>	<b>88,650</b>	<b>85,552</b>
<b>Less Minimum Revenue Provision</b>				
<b>MRP Charge/ Principle repayment</b>	<b>(3,476)</b>	<b>(1,750)</b>	<b>(3,098)</b>	<b>(1,988)</b>
<b>PFI Principal Charge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub Total</b>	<b>(3,476)</b>	<b>(1,750)</b>	<b>(3,098)</b>	<b>(1,988)</b>
<b>Closing Balance</b>	<b>90,400</b>	<b>88,650</b>	<b>85,552</b>	<b>83,564</b>
<b>Movement</b>	<b>(3,476)</b>	<b>(1,750)</b>	<b>(3,098)</b>	<b>(1,988)</b>

<b>Table 6: % Ratio of financing costs to net revenue stream</b>	<b>2017/18 Budget £'000</b>	<b>2018/19 Budget £'000</b>	<b>2019/20 Budget £'000</b>
<b>Financing Costs (including MRP &amp; interest costs)</b>	<b>2,851</b>	<b>2,840</b>	<b>2,840</b>
<b>Divide By</b>			
<b>Net Revenue Stream</b>	<b>15,658</b>	<b>14,908</b>	<b>15,399</b>
<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>18.21%</b>	<b>19.05%</b>	<b>18.44%</b>

The percentage of the revenue budget set aside each year to service debt financing costs.

<b>Table 7: HRA debt per dwelling</b>	<b>2016/17 Estimated Outturn £'000</b>	<b>2017/18 Budget £'000</b>	<b>2018/19 Budget £'000</b>	<b>2019/20 Budget £'000</b>
HRA Debt	90,400	88,650	85,552	83,564
Number of dwellings	2,565	2,553	2,541	2,529
<b>Debt per dwellings</b>	<b>35</b>	<b>35</b>	<b>34</b>	<b>33</b>

**General Fund & HRA**

<b>Table 8: Capital financing requirement: General fund &amp; HRA</b>	<b>2016/17 Estimated Outturn £'000</b>	<b>2017/18 Budget £'000</b>	<b>2018/19 Budget £'000</b>	<b>2019/20 Budget £'000</b>
<b>Opening balance (estimated)</b>	<b>212,456</b>	<b>209,413</b>	<b>286,625</b>	<b>320,573</b>
<b>Capital expenditure funded by Borrowing</b>	<b>3,672</b>	<b>82,527</b>	<b>40,611</b>	<b>67,648</b>
<b>Sub Total</b>	<b>216,128</b>	<b>291,940</b>	<b>327,236</b>	<b>388,221</b>
<b>Less Minimum Revenue Provision</b>				
<b>MRP Charge/ Principle repayment</b>	<b>(6,500)</b>	<b>(5,100)</b>	<b>(6,448)</b>	<b>(5,338)</b>
<b>PFI Principal Charge</b>	<b>(215)</b>	<b>(215)</b>	<b>(215)</b>	<b>(215)</b>
<b>Sub Total</b>	<b>(6,715)</b>	<b>(5,315)</b>	<b>(6,663)</b>	<b>(5,553)</b>
<b>Closing Balance</b>	<b>209,413</b>	<b>286,625</b>	<b>320,573</b>	<b>382,668</b>
<b>Movement</b>	<b>(3,043)</b>	<b>77,212</b>	<b>33,948</b>	<b>62,095</b>

<b>Table 9: Internal Borrowing</b>	<b>2016/17 Estimated Outturn £'000</b>	<b>2017/18 Budget £'000</b>	<b>2018/19 Budget £'000</b>	<b>2019/20 Budget £'000</b>
<b>CFR (Year end position)</b>	<b>209,413</b>	<b>286,625</b>	<b>320,573</b>	<b>382,668</b>
<b>Less External borrowing</b>	<b>150,112</b>	<b>203,200</b>	<b>226,200</b>	<b>271,200</b>
<b>Less other long term liabilities</b>	<b>8,600</b>	<b>8,600</b>	<b>8,600</b>	<b>8,600</b>
<b>Internal borrowing</b>	<b>50,701</b>	<b>74,825</b>	<b>85,773</b>	<b>102,868</b>
<b>Movement</b>	<b>(19,901)</b>	<b>24,124</b>	<b>10,948</b>	<b>17,095</b>
<b>% of internal borrowing to CFR</b>	<b>24.21%</b>	<b>26.11%</b>	<b>25.83%</b>	<b>26.88%</b>

Note:\* This will be reviewed on a regular basis to make sure we are getting best value for money. The Council is currently using its own cash flow (as rates of return are low), if rates start to increase a new external loan may need to be taken out.

**Table: 10 Limits on interest rate exposure**

	2016/17 Estimated Outturn £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000
<b>Fixed Rates</b>				
Principal sums outstanding in respect of borrowing at fixed rates	125,842	251,500	293,800	373,900
Principal sums outstanding in respect of investments that are fixed rate investments	(58,150)	(80,000)	(80,000)	(80,000)
<b>Upper Limit</b>	<b>67,692</b>	<b>171,500</b>	<b>213,800</b>	<b>293,900</b>
<b>Variable Rate</b>				
Principal sums outstanding in respect of borrowing at variable rates	24,000	40,000	40,000	40,000
Principal sums outstanding in respect of investments that are variable rate investments	(12,000)	(40,000)	(40,000)	(40,000)
<b>Upper Limit</b>	<b>12,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 11 : Investment Type**

	2016/17 Estimated Year end Balances £'000	2017/18 Estimated Year end Balances £'000	2018/19 Estimated Year end Balances £'000	2019/20 Estimated Year end Balances £'000
<b>Local Authorities</b>	<b>37,000</b>	<b>22,341</b>	<b>31,192</b>	<b>18,796</b>
<b>Fund Mangers</b>	<b>18,000</b>	<b>10,880</b>	<b>15,200</b>	<b>9,160</b>
<b>Internal Companies investments</b>	<b>15,150</b>	<b>13,150</b>	<b>14,300</b>	<b>16,550</b>
<b>Total</b>	<b>70,150</b>	<b>46,371</b>	<b>60,692</b>	<b>44,506</b>

**Table: 12 Interest Received from investments**

	2016/17 Estimated Outturn £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000
<b>HRA Internal loan from The General fund</b>	<b>(399)</b>	<b>(399)</b>	<b>(399)</b>	<b>(399)</b>
<b>Wokingham Housing</b>	<b>(933)</b>	<b>(1,050)</b>	<b>(1,050)</b>	<b>(1,050)</b>
<b>External investments</b>	<b>(295)</b>	<b>(425)</b>	<b>(425)</b>	<b>(425)</b>
	<b>(1,627)</b>	<b>(1,874)</b>	<b>(1,874)</b>	<b>(1,874)</b>