# Prudential and treasury indicators as at 30th September 2016

#### **General Fund**

| Prudential Indicators<br>Capital    | 2016/17<br>Budget | Quarter 1<br>16/17<br>Year end<br>forecast | Quarter 2<br>16/17<br>Year end<br>forecast |
|-------------------------------------|-------------------|--|--|
|                                     | £'000             | £'000                                      | £'000                                      |
|                                     |                   |  |  |
| Capital expenditure                 | 130,850           | 105,077                                    | 84,630                                     |
| Capital Financing Requirement (CFR) | 182,886           | 171,952                                    | 166,287                                    |
| Annual change in CFR                | 69,578            | 53,372                                     | 47,707                                     |
| In year borrowing requirement       | 73,103            | 56,611                                     | 50,945                                     |
|                                     |                   |  |  |
|                                     |                   |  |  |
| Prudential Indicators<br>Borrowing  | 2016/17<br>Budget | Quarter 1<br>16/17<br>Year end<br>forecast | Quarter 2<br>16/17<br>Year end<br>forecast |
|                                     |                   | 16/17<br>Year end                          | 16/17<br>Year end                          |
|                                     | Budget            | 16/17<br>Year end<br>forecast              | 16/17<br>Year end<br>forecast              |
|                                     | Budget            | 16/17<br>Year end<br>forecast              | 16/17<br>Year end<br>forecast              |

The percentage of the revenue budget set aside each year to service debt financing costs is shown above. The quarter two forecast is below budget as a result of favourable returns compared to budget.

This is calculated as follows: Financing cost Divide by Net revenue stream

As per budget 2016/17: £4,293 / £113,918 = 3.8%

#### <u>HRA</u>

| Prudential Indicators<br>Capital    | 2016/17<br>Budget<br>£'000 | Quarter 1<br>16/17<br>Year end<br>forecast<br>£'000 | Quarter 2<br>16/17<br>Year end<br>forecast<br>£'000 |
|-------------------------------------|----------------------------|---|---|
|                                     |                            |   |   |
| Capital expenditure                 | 9,827                      | 9,991   | 5,909   |
| Capital Financing Requirement (CFR) | 90,400                     | 90,400  | 90,400  |
|                                     |                            |   |   |

| Prudential Indicators<br>Borrowing             | 2016/17<br>Budget<br>£'000 | Quarter 1<br>16/17<br>Year end<br>forecast<br>£'000 | Quarter 2<br>16/17<br>Year end<br>forecast<br>£'000 |
|--|----------------------------|---|---|
|  |                            |   |   |
| Ratio of financing costs to net revenue stream | 18.8%                      | 18.6%   | 18.6%   |
|  |                            |   |   |

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

This is calculated as follows: Financing cost Divide by Total income received

As per budget 2015/16: £2,851 / £15,164 = 18.8%

### **General Fund & HRA**

| Prudential Indicators - Capital<br>Expenditure & CFR | 2016/17<br>Budget | Quarter 1<br>16/17<br>Year end<br>forecast | Quarter 2<br>16/17<br>Year end<br>forecast |  |
|--|-------------------|--|--|--|
|  | £'000             | £'000                                      | £'000                                      |  |
|  |                   |  |  |  |
| Capital expenditure                                  | 140,677           | 115,069                                    | 90,539                                     |  |
| Capital Financing Requirement (CFR)                  | 273,286           | 262,352                                    | 256,687                                    |  |
| Annual change in CFR                                 | 66,102            | 49,896                                     | 44,231                                     |  |
| In year borrowing requirement                        | 73,103            | 56,611                                     | 50,945                                     |  |
|  |                   |  |  |  |

| Upper limit -Debt Only  | 2016/17<br>Budget | Quarter 1<br>(Apr-Jun)<br>Actual | Quarter 2<br>(Jul-Sep)<br>Actual |
|-------------------------|-------------------|----------------------------------|----------------------------------|
|                         | £'000             | £'000                            | £'000                            |
|                         |                   |                                  |                                  |
| Fixed rate exposures    | 180,000           | 107,482                          | 107,482                          |
| Variable rate exposures | 40,000            | 24,000                           | 24,000                           |
|                         |                   |                                  |                                  |

### Appendix B

| Internal Borrowing               | 2016/17<br>Budget | Quarter 1<br>16/17<br>Year end<br>forecast | Quarter 2<br>16/17<br>Year end<br>forecast |
|----------------------------------|-------------------|--|--|
|                                  | £'000             | £'000                                      | £'000                                      |
|                                  |                   |  |  |
| CFR (year-end position)          | 273,286           | 262,352                                    | 256,687                                    |
| Less External Borrowing          | (197,119)         | (150,232)                                  | (150,232)                                  |
| Less Other long term liabilities | (10,000)          | (10,000)                                   | (10,000)                                   |
| Internal Borrowing*              | 66,167            | 102,120                                    | 96,455                                     |
| Movement                         | (5,499)           | 46,306                                     | 40,641                                     |
| % of internal borrowing to CFR   | 24.21%            | 38.92%                                     | 37.58%                                     |

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.

| Upper limit -Investments Only                         | 2016/17<br>Budget | Quarter 1<br>(Apr-Jun)<br>Actual | Quarter 2<br>(Jul-Sep)<br>Actual |
|---|-------------------|----------------------------------|----------------------------------|
|   | £'000             | £'000                            | £'000                            |
|   |                   |                                  |                                  |
| Fixed rate exposures                                  | (80,000)          | (41,114)                         | (56,120)                         |
| Variable rate exposures                               | (40,000)          | (12,432)                         | (12,432)                         |
|   |                   |                                  |                                  |
| Upper limit for principal sums invested over 364 days | 2016/17<br>Budget | Quarter 1<br>(Apr-Jun)<br>Actual | Quarter 2<br>(Jul-Sep)<br>Actual |
|   | £'000             | £'000                            | £'000                            |
|   |                   |                                  |                                  |
| In house  | 0                 | 0                                | 0                                |
| Fund managers   | 10,000            | 0                                | 0                                |
|   |                   |                                  |                                  |

## Appendix B

|   | 2016/17<br>Budget | Quarter 1<br>16/17<br>Year end<br>forecast | Quarter 2<br>16/17<br>Year end<br>forecast |
|---|-------------------|--|--|
|   | £'000             | £'000                                      | £'000                                      |
|   |                   |  |  |
| HRA Internal loan from The General fund | 399               | 399  | 399  |
| Wokingham Housing                       | 0                 | 320  | 503  |
| Age Concern                             | 0                 | 3  | 3  |
|   | 399               | 722  | 905  |

| Internal investments:                   | Quarter 1<br>16/17<br>Year end<br>forecast<br>£'000 | Quarter 2<br>16/17<br>Year end<br>forecast<br>£'000 |
|---|---|---|
| HRA Internal loan from The General fund | 8,874   | 8,874   |
| Wokingham Housing                       | 8,095   | 13,562  |
| Optalis                                 | 50  | 50  |
| Wokingham Enterprise Ltd                | 75  | 75  |
| Total                                   | 17,094  | 22,561  |