

## Prudential Indicators - Forecast 2018-2021

### Debt

#### General Fund

Table 1: Capital financing requirement:	2017/18 Estimated Outturn £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000
<b>General Fund</b>				
Opening balance (estimated)	160,022	198,804	275,350	387,767
Capital expenditure funded by Borrowing	49,754	91,234	119,903	63,372
<b>Sub Total</b>	<b>209,776</b>	<b>290,038</b>	<b>395,253</b>	<b>451,139</b>
<b>Less Minimum Revenue Provision</b>				
MRP charge	(2,362)	(3,350)	(3,350)	(3,350)
PFI principal charge	(215)	(215)	(215)	(215)
Principle repayment				
Swap funding /repayment of forward funding	(8,395)	(11,124)	(3,921)	(506)
<b>Sub Total</b>	<b>(10,972)</b>	<b>(14,689)</b>	<b>(7,486)</b>	<b>(4,071)</b>
<b>Closing Balance</b>	<b>198,804</b>	<b>275,350</b>	<b>387,767</b>	<b>447,068</b>
<b>Movement</b>	<b>38,782</b>	<b>76,545</b>	<b>112,417</b>	<b>59,301</b>

Table 2: % Ratio of financing costs to net revenue stream	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000
Financing costs (including MRP & interest costs)			
Divide by			
Net revenue stream			
<b>Ratio of financing costs to net revenue stream</b>			

To be confirmed

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

Table 3: Incremental impact of capital investment decisions on council tax	2016/17 Estimated Outturn £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000
Council tax - band D	N/A			

To be confirmed

## Prudential Indicators - Forecast 2018-2021

HRA

Table 4: Capital financing requirement:	2017/18 Estimated Outturn £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000
<b>HRA</b>				
Opening balance (estimated)	90,400	87,836	84,354	82,366
Capital expenditure funded by Borrowing	0	0	0	3,500
<b>Sub Total</b>	<b>90,400</b>	<b>87,836</b>	<b>84,354</b>	<b>85,866</b>
<b>Less Minimum Revenue Provision</b>				
MRP Charge/ Principle repayment	(2,564)	(3,482)	(1,988)	(3,098)
PFI Principal Charge	0	0	0	0
<b>Sub Total</b>	<b>(2,564)</b>	<b>(3,482)</b>	<b>(1,988)</b>	<b>(3,098)</b>
<b>Closing Balance</b>	<b>87,836</b>	<b>84,354</b>	<b>82,366</b>	<b>82,768</b>
<b>Movement</b>	<b>(2,564)</b>	<b>(3,482)</b>	<b>(1,988)</b>	<b>402</b>

Table 5: % Ratio of financing costs to net revenue stream	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000
Financing costs (including MRP & interest costs)			
Divide by			
Net revenue stream			
<b>Ratio of financing costs to net revenue stream</b>			

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

Table 6: HRA debt per dwelling	2017/18 Estimated Outturn £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000
HRA Debt	87,836	85,552	83,554	80,072
Number of dwellings	2,545	2,530	2,515	2,500
<b>Debt per dwellings</b>	<b>35</b>	<b>35</b>	<b>34</b>	<b>33</b>

## Prudential Indicators - Forecast 2018-2021

### General Fund & HRA

<b>Table 7: Capital financing requirement:</b>	<b>2017/18 Estimated Outturn £'000</b>	<b>2018/19 Budget £'000</b>	<b>2019/20 Budget £'000</b>	<b>2020/21 Budget £'000</b>
<b>General fund &amp; HRA</b>				
<b>Opening balance (estimated)</b>	<b>250,422</b>	<b>286,640</b>	<b>359,704</b>	<b>470,133</b>
<b>Capital expenditure funded by Borrowing</b>	<b>49,754</b>	<b>91,234</b>	<b>119,903</b>	<b>68,772</b>
<b>Sub Total</b>	<b>300,176</b>	<b>377,874</b>	<b>479,607</b>	<b>537,005</b>
<b>Less Minimum Revenue Provision</b>				
<b>MRP Charge/ Principle repayment</b>	<b>(4,926)</b>	<b>(6,832)</b>	<b>(5,338)</b>	<b>(6,448)</b>
<b>PFI Principal Charge</b>	<b>(215)</b>	<b>(215)</b>	<b>(215)</b>	<b>(215)</b>
<b>Prior year adjustment (swap funding / forward funding)</b>	<b>(8,395)</b>	<b>(11,124)</b>	<b>(3,921)</b>	<b>(506)</b>
<b>Sub Total</b>	<b>(13,536)</b>	<b>(18,171)</b>	<b>(9,474)</b>	<b>(7,169)</b>
<b>Closing Balance</b>	<b>286,640</b>	<b>359,704</b>	<b>470,133</b>	<b>529,836</b>
<b>Movement</b>	<b>36,218</b>	<b>73,063</b>	<b>110,429</b>	<b>59,703</b>

<b>Table 8: Internal Borrowing</b>	<b>2017/18 Estimated Outturn £'000</b>	<b>2018/19 Budget £'000</b>	<b>2019/20 Budget £'000</b>	<b>2020/21 Budget £'000</b>
<b>CFR (Year-end position)</b>	<b>286,640</b>	<b>359,704</b>	<b>470,133</b>	<b>529,836</b>
<b>Less External borrowing</b>	<b>145,709</b>	<b>206,709</b>	<b>317,409</b>	<b>376,909</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>132,331</b>	<b>144,395</b>	<b>144,124</b>	<b>144,327</b>
<b>Movement</b>		<b>12,063</b>	<b>(271)</b>	<b>203</b>
<b>% of internal borrowing to CFR</b>	<b>47.59%</b>	<b>41.13%</b>	<b>31.23%</b>	<b>27.69%</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.

The council's capital programme now includes many large infrastructure schemes that span a number of years. It is not uncommon or unreasonable for the profiling of these to be refined once the initial budget has been approved and the precise timing of expenditure becomes clearer as projects move from feasibility and planning through to delivery. Our capital finance specialists meet regularly with our key project and programme managers to update predictions and find ways to improve the accuracy of our capital monitoring. This has included the receipt of more detailed information on projects and a new profiling methodology for the capital programme in accordance with The Royal Institute of British Architects (RIBA) planned stage process. Work will continue to do what we can to improve the financial arrangements, however it should be recognised that it contains by its nature, sizeable and often uncontrollable, fluctuations

## Prudential Indicators - Forecast 2018-2021

### Investment

Table 10 : Investment Type	2017/18 Estimated Outturn £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000
Local Authorities	39,000	36,000	34,000	30,000
Fund Mangers	1	1	1	1
Internal Companies investments	37,235	39,235	43,235	45,235
<b>Total</b>	<b>76,236</b>	<b>75,236</b>	<b>77,236</b>	<b>75,236</b>

Table: 11 Interest Received from investments	2017/18 Estimated Outturn £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000
HRA Internal loan from The General fund	(399)	(399)	(399)	(399)
WHL & WTCR	(933)	(1,577)	(1,909)	(2,015)
External investments	(295)	(451)	(451)	(451)
	<b>(1,627)</b>	<b>(2,427)</b>	<b>(2,759)</b>	<b>(2,865)</b>

The increase is due to the investment in the town centre regeneration and Wokingham Housing Ltd. The interest received will be used to fund the interest costs on the borrowing of the before mentioned schemes.

**Table 12: Maturity structure of fixed interest rate borrowing 2018/19 @ 31-03-2018**

Under 12 months	3%
1 to 2 years	4%
3 to 5 years	9%
6 to 10 years	17%
10 years and above	66%