

2015/16 ACTUAL PRUDENTIAL INDICATORS

- 1.1 The Prudential Capital Finance system which came into force on 1st April 2004 allows authorities to borrow as much as they can prudently afford to pay back from their revenue resources (subject to national safeguards).
- 1.2 The Council set its original Prudential Indicators for 2015/16 in February 2015 and then revised them in February 2016. It is a requirement of the Prudential Code for Capital Finance in Local Authorities that the Council calculates actuals for certain of the indicators and reports upon them after the end of the year to which the indicators relate. The actuals for the relevant indicators are shown below together with a comparison, where appropriate, with the indicator revised in February 2016.

1.3 **Actual ratio of financing costs to net revenue stream**

This ratio sets an upper limit on the proportion of the Council's net revenue streams both for GF and HRA which goes to service debt.

	2015/16 Revised	2015/16 Actual
General Fund	+1.00% to -4.00%	-1.90%
Housing Revenue Account	36.00% to 41.00%	37.90%
Overall	22.00% to 27.00%	23.58%

It can therefore be seen that all three ratios for 2015/16 Actual are within range.

1.4 **Actual capital expenditure for 2015/16**

It should be noted that the General Fund Capital Programme and the General Fund Housing (Registered Providers and Improvement Grants) part of the Housing Investment Programme are to be considered as one.

	2015/16 Revised	2015/16 Actual
General Fund	£3,987,056	£3,014,472
Housing Revenue Account	£17,670,000	£11,776,746
Overall	£21,657,056	£14,791,218

With regard to the General Fund indicator, the underspend is largely due to slippage within the General Fund Capital programme itself. The significant items of slippage being £0.216m on the Leisure Centre Options project, £0.559m on Fen End and £0.116m on Bishops Tachbrook Community Centre. The most significant items accounting for the underspend on the Housing Revenue Account relate to slippage on the Sayer Court project of £4.012m and slippage in the HRA Landlord Improvements/Renewals programme of £0.962m. In addition the £0.6m budget for the purchase of a property in Lillington is no longer needed due to wider uncertainties surrounding the Lillington Regeneration project.

1.5 **Actual capital financing requirement at 31/3/2016**

This is a key measure in that it measures the underlying need for an authority to borrow for capital purposes.

	2015/16 Revised	2015/16 Actual
General Fund	-£999,510	-£1,215,451
Housing Revenue Account	£135,786,796	£135,786,796
Overall	£134,787,286	£134,571,345

The variation in the General Fund capital financing requirement is due to slippage arising from the Leisure Options capital programme which meant that less internal borrowing was required.

- 1.6 The final indicator that requires reporting at the year end is the amount of external debt outstanding at the year end. The HRA Self Financing debt outstanding at 31st March 2016 was £136,157,000. The principal outstanding at 31st March 2016 on all Finance leases was £11,568 which when added to the external borrowing of £136,157,000 gives £136,168,568 total debt outstanding at 31st March 2016.