2016/17 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 2016/17 in February 2016 and then revised them in February 2017. 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 2017.

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.

	2016/17 Revised	2016/17 Actual
General Fund	-1.00% to -6.00%	-2.76%
Housing Revenue Account	38.00% to 43.00%	37.44%
Overall	24.00% to 29.00%	25.40%

It can therefore be seen that the General Fund and Overall ratios for 2016/17 Actual are within range whilst the Housing Revenue Account ratio is just out of range but on the favourable side i.e. the debt servicing costs take less of the HRA income than expected.

1.4 Actual capital expenditure for 2016/17

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.

	2016/17 Revised	2016/17 Actual
General Fund	£9,072,315	£5,985,339
Housing Revenue Account	£12,442,856	£10,625,033
Overall	£21,515,171	£16,610,372

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 £1.179m on the refurbishment of the Pump Room Gardens , £0.769m on the Leisure Centre refurbishment project, £0.3m on the acquisition of the former nursery in Spencers Yard, £0.158m on Play Area improvements, £0.134m re Barford Wall and £0.120m on remedial works at St Peters Car Park. The most significant items accounting for the underspend on the Housing Revenue Account relate to savings on the Sayer Court project of £0.920m and Electrical Fitments £0.487m.

1.5 **Actual capital financing requirement at 31/3/2017**

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

	2016/17 Revised	**2016/17 Actual**
General Fund	£2,398,137	£1,615,716
Housing Revenue Account	£135,786,796	£135,786,796
Overall	£138,184,933	£137,402,512

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 2017 was £136,157,000. The principal outstanding at 31st March 2017 on all Finance leases was £78,660 which when added to the external borrowing of £136,157,000 gives £136,235,660 total debt outstanding at 31st March 2017, well within the Council's Operational and Authorised limits for external debt.