

2018-19 MONITORING OF PRUDENTIAL INDICATORS AS AT 31 March 2019**1. Estimate of Capital Expenditure (including PFI)**

Actuals 2017-18	£188.249m
Original estimate 2018-19	£295.449m
Outturn 2018-19	£189.762m

2. Estimate of capital financing requirement (underlying need to borrow for a capital purpose)

	2017-18	2018-19	2018-19
	Actual	Original Estimate	Outturn
	£m	£m	£m
Capital Financing requirement	1,322.493	1,373.692	1,284.513
Annual increase/reduction in underlying need to borrow	-39.901	45.406	-37.980

In the light of current commitments and planned expenditure, forecast net borrowing by the Council will not exceed the Capital Financing Requirement.

3. Estimate of ratio of financing costs to net revenue stream

Actuals 2017-18	12.96%
Original estimate 2018-19	12.01%
Outturn 2018-19	11.76%

4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management. The operational boundary for debt will not be exceeded in 2018-19.

a) Operational boundary for debt relating to KCC assets and activities

	Prudential Indicator	Position as at 31.03.19
	£m	£m
Borrowing	1,003	906
Other Long Term Liabilities	271	255
	<u>1,274</u>	<u>1,161</u>

b) Operational boundary for total debt managed by KCC including that relating to Medway Council etc (pre Local Government Reorganisation)

	Prudential Indicator	Position as at 31.03.19
	£m	£m
Borrowing	1,038	906

Other Long Term Liabilities	<u>271</u>	<u>255</u>
	1,309	1,161

5. Authorised Limit for External Debt

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the Council. The revised limits for 2018-19 are:

	Authorised limit for debt relating to KCC assets and activities	Position as at 31.03.19	Authorised limit for total debt managed by KCC	Position as at 31.03.19
	£m	£m	£m	£m
Borrowing	1,043	906	1,078	906
Other long term liabilities	<u>271</u>	<u>255</u>	<u>271</u>	<u>255</u>
	1,314	1,161	1,349	1,161

6. Compliance with CIPFA Code of Practice for Treasury Management in the Public Sector

The Council has adopted the Code of Practice on Treasury Management and has adopted a Treasury Management Policy Statement. Compliance has been tested and validated by our independent professional treasury advisers.

7. Upper limits of fixed interest rate and variable rate exposures

The Council has determined the following upper limits for 2018-19

Fixed interest rate exposure	100%
Variable rate exposure	50%

These limits have been complied with in 2018-19

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	Position as at 31.03.19
	%	%	%
Under 12 months	10	0	2.55%
12 months and within 24 months	10	0	3.67%
24 months and within 5 years	15	0	8.45%
5 years and within 10 years	15	0	8.60%
10 years and within 20 years	20	5	17.00%
20 years and within 30 years	25	5	18.16%
30 years and within 40 years	25	10	14.97%
40 years and within 50 years	30	10	26.61%
50 years and within 60 years	30	10	0.00%

9. Upper limit for principal sums invested for periods longer than 364 days

Indicator	£250m
Actual	£240.2m