

## TREASURY MANAGEMENT STRATEGY 2017/18

### **ANNEX A – Scale of Operations**

**Capital Expenditure** - The projected capital expenditure - presented here in order to show the complete treasury position - and for which approval is separately requested in the Capital Programme 17/18 – 19/20 Report is expected to be:

<b>Capital expenditure £M</b>	<b>2016/17 Revised</b>	<b>2017/18 Programme</b>	<b>2018/19 Programme</b>	<b>2019/20 Programme</b>
Non-HRA	25	15	24	15
HRA	4	8	4	5
Total	29	23	28	20

**Debt Requirement** - Part of the capital expenditure programme will be financed directly through government grants, capital receipts etc. This leaves a residue which will increase the Council's external borrowing requirement (its Capital Financing Requirement [CFR]). The General Fund CFR is reduced each year by a statutory revenue charge for the repayment of debt. The HRA is under no requirement to make such a charge.

<b>Capital Financing Requirement £M</b>	<b>2016/17 Revised</b>	<b>2017/18 Programme</b>	<b>2018/19 Programme</b>	<b>2019/20 Programme</b>
Non-HRA	299	343	384	383
HRA	11	11	11	11
Total	310	354	395	394

The HRA limit on indebtedness imposed by the Department of Communities and Local Government is set out in the determination and remains at £35.74m.

Against this borrowing need (the CFR), the Council's expected external debt position for each year (the **Operational Boundary**) and the maximum amount it can borrow (the **Authorised Limit**) are:

<b>£M</b>	<b>2016/17 Revised</b>	<b>2017/18 Projection</b>	<b>2018/19 Projection</b>	<b>2019/20 Projection</b>
Authorised Limit	271	354	395	394
Operational Boundary	260	349	383	388

**The impact of the new schemes being approved as part of this budgetary cycle on council tax and housing rents** - as separately reported these are expected to be:

<b>Incremental impact of capital investment decisions (£) on:</b>	<b>2016/17 Revised</b>	<b>2017/18 Programme</b>	<b>2018/19 Programme</b>	<b>2019/20 Programme</b>
Average council tax	£5.71	£0.24	£4.80	£1.83
Housing rents	£0.27	£0.05	£0.88	£0.34

**Investments** - The value of resources applied to finance the capital spend above is one of the elements which influence the Council's overall resources. The expected position of the Council's year-end resources (capital reserves, capital receipts, etc.), is shown below. This is supplemented with the expected cashflow position to provide an overall estimate of the year-end investment position. The Prudential Indicator identifying the ability to invest longer term is also shown.

<b>£M</b>	<b>2016/17 Revised</b>	<b>2017/18 Projection</b>	<b>2018/19 Projection</b>	<b>2019/20 Projection</b>
Total resources	-	-	-	-
Working capital	-	-	-	-
Temporary borrowing	(66)	(120)	(133)	(121)
Sums invested > 364 days	-	-	-	-