

## Prudential Indicators Item 7 Appendix B re: Capital Programme 2016/17 to 2019/20

	Original Estimate 2016/17	Indicative Estimate 2017/18	Indicative Estimate 2018/19	Indicative Estimate 2019/20
<b>Capital Expenditure (as per programme)</b>	£8,749,800	£4,560,000	£4,215,500	£4,833,000
<b>Capital Financing Requirement (Prudential Borrowing)</b>	£26,966,541	£30,561,335	£33,278,379	£35,278,585
<b>Net Borrowing for capital purposes does not exceed the capital financing requirement</b>				
The capital financing requirement measures the Authority's underlying need to borrow for a capital purpose. In accordance with best practice, The Fire Authority does not associate borrowing with particular items of capital expenditure.				
<b>Ratio of Financing Costs to Net Revenue Stream</b>				
Net Revenue Stream				
Government Support	£17,636,117	£15,459,747	£14,536,266	£14,159,569
Collection Fund Surplus	£863,255	£0	£0	£0
Council Tax Requirement	£36,316,282	£37,596,010	£38,916,770	£40,285,155
<b>Total Net Revenue Stream</b>	<b>£54,815,653</b>	<b>£53,055,756</b>	<b>£53,453,036</b>	<b>£54,444,724</b>
Calculation of Financing Costs				
Interest Payable with Respect to Borrowing/Leasing	£1,238,405	£1,940,956	£2,000,026	£2,063,621
Less Interest & Investment Income	-£71,250	-£33,750	-£10,000	£0
Replacement for Minimum Revenue Provision	£2,220,019	£2,645,408	£3,028,272	£3,336,579
<b>Total Financing Costs</b>	<b>£3,387,174</b>	<b>£4,552,614</b>	<b>£5,018,298</b>	<b>£5,400,200</b>
<b>Estimated Ratio of Financing Costs to Net Revenue Stream</b>	<b>6.18%</b>	<b>8.58%</b>	<b>9.39%</b>	<b>9.92%</b>
<b>Estimation of the Incremental impact of new capital investment on the Council Tax</b>				
Cost of Borrowing				
Capital Expenditure	£8,749,800	£4,560,000	£4,215,500	£4,833,000
Less Funded from Capital Grant	£0	£0	£0	£0
Less Funded from Direct Revenue Financing	-£3,726,800	-£411,700	£0	£0
	<b>£5,023,000</b>	<b>£4,148,300</b>	<b>£4,215,500</b>	<b>£4,833,000</b>
Cost of Borrowing at 7.5% - Interest(3.5%) & Depreciation(4%)	£376,725	£342,000	£316,163	£362,475
IT Capital Programme	£855,600	£440,000	£250,000	£250,000
Assumed Annual Maintenance @ 15%	£128,340	£66,000	£37,500	£37,500
Total Impact of New Capital Investment	£505,065	£408,000	£353,663	£399,975
Council Taxbase	524,726	532,597	540,586	548,695
Annual Impact of New Capital Investment on Council Tax	£0.96	£0.77	£0.65	£0.73
<b>Impact of New Capital Investment on Council Tax</b>	<b>£0.96</b>	<b>£1.73</b>	<b>£2.38</b>	<b>£3.11</b>