

Item 09 Appendix A

Prudential Indicators re: 2016/17 Revised Capital Programme

	Original Estimate 2016/17	Revised Estimate 2016/17
Capital Expenditure (as per programme)	£8,749,800	£5,423,400
Capital Financing Requirement (Prudential Borrowing) (excludes PFI)	£26,966,541	£26,657,966

Net Borrowing for capital purposes does not exceed the capital financing requirement

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.

Ratio of Financing Costs to Net Revenue Stream

Net Revenue Stream		
Government Support	£17,636,117	£17,636,117
Collection Fund Surplus	£863,255	£863,255
Council Tax Requirement	£36,316,282	£36,316,282
Total Net Revenue Stream	£54,815,654	£54,815,654

Calculation of Financing Costs

Interest payable with respect to borrowing/Leasing	£1,238,405	£1,238,405
Less Interest & Investment Income	-£71,250	-£45,495
Replacement for MRP	£2,220,019	£2,215,187
Total Financing Costs	£3,387,174	£3,408,097

Estimated Ratio of Financing Costs to Net Revenue Stream	6.18%	6.22%
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Estimation of the Incremental impact of new capital investment on the Council Tax

Cost of Borrowing		
Capital Expenditure	£8,749,800	£5,423,400
Less funded from capital grant/receipts	£0	-£2,120,700
Less funded from direct revenue financing/reserves	-£3,726,800	-£3,302,700
	£5,023,000	£0

Cost of Borrowing at 7.5% - Interest(3.5%) & Depreciation(4%)	£376,725	£0
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IT Capital Programme	£855,600	£871,700
Assumed Annual Maintenance @ 15%	£128,340	£130,755

Total Impact of New Capital Investment	£505,065	£130,755
Council Taxbase	524,726	524,726

Annual impact of new capital investment on the Council Tax	£0.96	£0.25
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