

Prudential Indicators re: Capital Programme 2016/17 to 2019/20

| | Estimate 2016/17 | Estimate 2017/18 | Estimate 2018/19 | Estimate 2019/20 |
|---|---------------------|---------------------|---------------------|---------------------|
| Capital Expenditure (as per programme) | £5,423,400 | £11,159,900 | £5,276,400 | £6,229,200 |
| Capital Financing Requirement | £41,572,142 | £39,355,287 | £43,756,333 | £46,392,354 |

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

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|--|--------------------|--------------------|--------------------|--------------------|
| Net Revenue Stream | | | | |
| Government Support (Settlement Funding Assessment) | £17,636,117 | £15,466,900 | £14,569,714 | £14,230,448 |
| Collection Fund Surplus | £863,255 | £488,618 | £0 | £0 |
| Council Tax Requirement | £36,316,282 | £37,420,548 | £38,544,382 | £39,703,113 |
| Total Net Revenue Stream | £54,815,654 | £53,376,066 | £53,114,096 | £53,933,561 |
| Calculation of Financing Costs | | | | |
| Interest Payable with Respect to Borrowing/Leasing | £1,113,689 | £1,056,474 | £979,116 | £1,112,275 |
| Less Interest & Investment Income | -£57,000 | -£27,000 | -£6,000 | £0 |
| Replacement for Minimum Revenue Provision | £2,215,187 | £2,216,732 | £2,664,871 | £3,031,750 |
| Total Financing Costs | £3,271,877 | £3,246,206 | £3,637,987 | £4,144,025 |

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|---|--------------|--------------|--------------|--------------|
| Estimated Ratio of Financing Costs to Net Revenue Stream | 5.97% | 6.08% | 6.85% | 7.68% |
|---|--------------|--------------|--------------|--------------|

Estimation of the Incremental impact of new capital investment on the Council Tax

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|--|-----------------|-----------------|-----------------|-----------------|
| Cost of Borrowing | | | | |
| Capital Expenditure | £5,423,400 | £11,159,900 | £5,276,400 | £6,229,200 |
| Less Funded from Capital Grant/Reserves | -£5,324,800 | -£4,553,200 | £0 | £0 |
| Less Funded from Direct Revenue Financing | -£98,600 | £0 | £0 | £0 |
| | £0 | £6,606,700 | £5,276,400 | £6,229,200 |
| Indicative Cost of Borrowing at 7.5% - Interest(3.5%) & Depreciation(4%) | £0 | £495,503 | £395,730 | £467,190 |
| IT Capital Programme | £871,700 | £1,068,500 | £455,000 | £210,000 |
| Indicative Assumed Annual Maintenance @ 15% | £130,755 | £160,275 | £68,250 | £31,500 |
| Total Impact of New Capital Investment | £130,755 | £655,778 | £463,980 | £498,690 |
| Council Taxbase | 524,726 | 531,547 | 536,863 | 542,231 |
| Annual Impact of New Capital Investment on Council Tax | £0.25 | £1.23 | £0.86 | £0.92 |
| Impact of New Capital Investment on Council Tax | £0.25 | £1.48 | £2.34 | £3.26 |