West Dunbartonshire Council Prudential and Treasury Indicators **Appendix 6**

Table A - Net Capital Financing Need

General Services and HRA Shown Separately

£000	Revised 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
General Services	**54,564**	**62,714**	**54,598**	**41,894**	**32,113**	**23,162**	**15,508**	**15,768**	**11,572**	**11,574**	**11,516**
Financed by:											
Capital receipts	428	8,487	9,243	4,468	4,358	2,245	1,698	4,043	-	-	-
Capital grants	24,505	20,650	21,173	18,903	16,312	16,440	11,281	9,634	8,704	8,704	8,704
Revenue	38	91	-	-	-	-	-	-	-	-	-
Net financing need for the year	**29,593**	**33,486**	**24,182**	**18,523**	**11,443**	**4,477**	**2,529**	**2,091**	**2,868**	**2,870**	**2,812**
£000	**Revised 2018/19**	**Forecast 2019/20**	**Forecast 2020/21**	**Forecast 2021/22**	**Forecast 2022/23**	**Forecast 2023/24**	**Forecast 2024/25**	**Forecast 2025/26**	**Forecast 2026/27**	**Forecast 2027/28**	**Forecast 2028/29**
HRA	**25,362**	**57,902**	**52,260**	**26,330**	**23,590**	**23,590**	**20,152**	**13,960**	**14,309**	**14,666**	**16,288**
Financed by:											
Capital receipts	-	-	-	-	-	-	-	-	-	-	-
Capital grants	5,744	15,204	4,594	2,360	2,360	2,360	-	-	-	-	-
Revenue	7,429	7,257	6,117	5,573	4,277	3,577	2,140	2,229	2,868	2,771	1,772
Net financing need for the year	**12,189**	**35,441**	**41,549**	**18,397**	**16,953**	**17,653**	**18,012**	**11,731**	**11,441**	**11,895**	**14,516**

General Services and HRA Combined

£000	Revised 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
General Services	54,564	62,714	54,598	41,894	32,113	23,162	15,508	15,768	11,572	11,574	11,516
HRA	25,362	57,902	52,260	26,330	23,590	23,590	20,152	13,960	14,309	14,666	16,288
Capital Expenditure	**79,926**	**120,616**	**106,858**	**68,224**	**55,703**	**46,752**	**35,660**	**29,728**	**25,881**	**26,240**	**27,804**
Financed by:											
Capital receipts	428	8,487	9,243	4,468	4,358	2,245	1,698	4,043	-	-	-
Capital grants	30,249	35,854	25,767	21,263	18,672	18,800	11,281	9,634	8,704	8,704	8,704
Revenue	7,467	7,348	6,117	5,573	4,277	3,577	2,140	2,229	2,868	2,771	1,772
Net financing need for the year	**41,782**	**68,927**	**65,731**	**36,920**	**28,396**	**22,130**	**20,541**	**13,822**	**14,309**	**14,765**	**17,328**

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Table B - Capital Financing Requirement

£000	Revised 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
Capital Financing Requirement											
CFR – General Services	323,747	348,952	363,966	373,643	376,096	371,392	364,365	356,658	349,595	342,836	336,682
CFR – HRA	218,434	247,316	281,932	293,075	301,993	311,129	319,718	321,812	323,655	325,942	330,333
Total CFR	**542,181**	**596,268**	**645,898**	**666,718**	**678,089**	**682,521**	**684,083**	**678,470**	**673,250**	**668,778**	**667,015**
Movement in CFR	27,833	54,087	49,629	20,820	11,371	4,432	1,562	(5,613)	(5,220)	(4,472)	(1,764)

Movement in CFR represented by											
Net financing need for the year (above)	41,782	68,927	65,731	36,920	28,396	22,130	20,541	13,822	14,309	14,765	17,328
Less scheduled debt amortisation and other financing movements	(13,949)	(14,840)	(16,102)	(16,100)	(17,025)	(17,698)	(18,979)	(19,435)	(19,529)	(19,236)	(19,091)
Movement in CFR	**27,833**	**54,087**	**49,629**	**20,820**	**11,371**	**4,432**	**1,562**	**(5,613)**	**(5,220)**	**(4,472)**	**(1,764)**

Table C - Loan Fund Repayment Profile

£000	General Services	HRA	Total
Under 12 months	4,925	6,312	11,237
2 years to 5 years	21,495	28,781	50,277
6 years to 10 years	27,606	46,783	74,389
11 years to 15 years	27,534	53,409	80,943
16 years to 20 years	30,244	54,296	84,540
21 years to 25 years	33,887	48,358	82,245
26 years to 30 years	38,650	48,703	87,353
31 years to 35 years	31,632	28,163	59,795
36 years to 40 years	26,221	10,605	36,826
41 years to 45 years	12,935	2,817	15,752
46 years to 50 years	13,497	2,693	16,190
51 years to 55 years	19,394	3,245	22,639
56 years to 60 years	23,505	4,086	27,591
60 years plus	34,086	49,859	83,945
Total	**345,612**	**388,110**	**733,722**

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Table D - Ratio of Financing Costs to Net Revenue Stream

	Revised 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
General Services	10.32%	10.55%	11.10%	11.17%	11.35%	11.49%	11.63%	11.66%	11.59%	11.36%	10.96%
HRA	27.54%	27.72%	29.70%	31.59%	33.29%	34.32%	36.13%	36.26%	35.53%	35.11%	35.75%

Table E - Gross Debt compared to the Underlying Need to Borrow (CFR)

£000	Revised 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
External Debt											
Debt at 1 April	425,291	438,836	496,026	549,266	573,777	588,534	596,119	601,286	600,005	599,510	599,711
Maturing Debt	(185,560)	(164,439)	(14,499)	(485)	(11,091)	-	(8,750)	(6,158)	-	-	(5,000)
New Borrowing - Maturing Debt	168,560	164,439	14,499	485	11,091	-	8,750	6,158	-	-	5,000
New Borrowing - CFR	30,546	57,189	53,240	24,511	14,757	7,585	5,167	(1,280)	(496)	201	2,013
Debt at 31 March	**438,836**	**496,026**	**549,266**	**573,777**	**588,534**	**596,119**	**601,286**	**600,005**	**599,510**	**599,711**	**601,724**
Long Term Liabilities at 1 April	105,914	103,201	100,099	96,488	92,797	89,412	86,258	82,654	78,321	73,597	68,924
Change in Long Term Liabilities	(2,713)	(3,102)	(3,611)	(3,691)	(3,385)	(3,153)	(3,605)	(4,333)	(4,724)	(4,673)	(3,777)
Long Term Liabilities at 31 March	**103,201**	**100,099**	**96,488**	**92,797**	**89,412**	**86,258**	**82,654**	**78,321**	**73,597**	**68,924**	**65,147**
Gross Debt at 31 March	542,038	596,124	645,754	666,574	677,945	682,377	683,939	678,326	673,106	668,635	666,871
Capital Financing Requirement	542,181	596,268	645,898	666,718	678,089	682,521	684,083	678,470	673,250	668,778	667,015
Under / (Over) Borrowing	**144**	**144**	**144**	**144**	**144**	**144**	**144**	**144**	**144**	**144**	**144**

Table F - Operational Boundary

£000	Revised 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
External Debt	596,241	655,737	710,329	706,269	729,507	742,271	746,650	747,567	740,962	735,277	731,343

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Table G - Authorised Limit

£000	Revised 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
External Debt	650,445	715,349	774,904	770,475	795,826	809,751	814,527	815,528	808,323	802,120	797,829

Table H - Interest Rate Forecast

Link Asset Services Interest Rate View	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%
5yr PWLB Rate	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
10yr PWLB Rate	2.20%	2.30%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.00%
25yr PWLB Rate	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%

Table I - Historic Risk of Default

Long term rating	1 year	2 years	3 years	4 years	5 years
AAA	0.04%	0.10%	0.18%	0.27%	0.36%
AA	0.02%	0.04%	0.10%	0.17%	0.24%
A	0.05%	0.15%	0.28%	0.42%	0.59%
BBB	0.16%	0.44%	0.77%	1.15%	1.55%
BB	0.71%	2.00%	3.47%	4.92%	6.22%
B	2.90%	7.00%	10.67%	13.74%	16.12%
CCC	18.74%	26.47%	31.60%	35.37%	38.17%

Note - The AAA default risk is actually higher than the AA default risk due the number of AAA rated institutions left

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Table J - Counterparty Limits

Investment Category	Fitch (or equivalent)	Money Limit	Time Limit
1	F1+ / AA-	£10million	364 days
	F1 / A-	£5 million	
2	F1/A-	£10 million (per group)	364 days
3		£5 million	Overnight
4		£5 million	364 days
5	As in 1 above	£10million and £5million	364 days
6	Sector Limit	£25 million	Very liquid no time limit applies
	Fund Limit	£5 million	
7		No limit	6 months
8	Sector imit	£25 million	364 days
	Fund Limit	£5 million	

Table K - Sensitivity to Interest Rate Movements

£000	2019/20 Estimate	1%	-1%
Variable Rate Debt Payments	N/A	N/A	N/A
Variable Rate Investment income	75	150	(75)

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Table L- Treasury Management Limits on Activity

	2019/20 Upper	2020/21 Upper	2021/22 Upper
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	50%	50%	50%

Maturity Structure of fixed interest rate borrowing						
	Lower	**Upper**	**Lower**	**Upper**	**Lower**	**Upper**
Under 12 months	0%	50%	0%	50%	0%	50%
12 months to 2 years	0%	50%	0%	50%	0%	50%
2 years to 5 years	0%	50%	0%	50%	0%	50%
5 years to 10 years	0%	50%	0%	50%	0%	50%
10 years to 20 years	0%	50%	0%	50%	0%	50%
20 years to 30 years	0%	50%	0%	50%	0%	50%
30 years to 40 years	0%	50%	0%	50%	0%	50%
40 years to 50 years	0%	100%	0%	100%	0%	100%
50 years to 60 years	0%	100%	0%	100%	0%	100%
60 years to 70 years	0%	100%	0%	100%	0%	100%
Principal sums invested > 364 & 365 days	£nil	£7m	£nil	£7m	£nil	£7m