

2012/13 Actual Capital and SRP Expenditure and Financing

	City Fund £m	City's Cash £m	Bridge House Estates £m	Total £m	March 2013 Comparator £m
Expenditure					
Capital	21.7	24.7	0.6	47.0	65.8
Supplementary Revenue Projects	3.5	3.8	1.3	8.6	11.0
Total Expenditure	25.2	28.5	1.9	55.6	76.8
Funded by:					
External Grants & contributions	10.0	7.1	0.6	17.7	14.7
Internal:					
- Revenue Reserves	4.9	21.4	1.3	27.6	45.4
- Capital Reserves	10.3	-	-	10.3	16.7
Total Funding Requirement	25.2	28.5	1.9	55.6	76.8
<i>March 2013 Forecast Figures</i>	36.1	37.3	3.4	76.8	
<i>Variation</i>	- 10.9	- 8.8	- 1.5	- 21.2	

Prudential Indicators - 2012/13 OUTTURN

The tables below detail the four prudential indicators applicable to 2012/13 which have been derived from the 2012/13 City Fund final accounts. These 'actual' indicators have been compared to the appropriate 'estimate' indicators. The **original** estimate indicators were prepared in February 2012 at the time of setting the 2012/13 budget and the **revised** estimate indicators were prepared to inform the setting of the 2013/14 budget in March 2013.

1. Actual capital expenditure 2012/13

	HRA	Non-HRA	Total
Estimate of capital expenditure (Original)	£7.941 m	£66.584 m	£74.525 m
Estimate of capital expenditure (Revised)	£4.621 m	£27.752 m	£32.373 m
Actual Capital Expenditure	£3.502 m	£17.939 m	£21.441 m

The variation between the revised and actual indicators is mainly due to rephrasing of capital expenditure to later years.

2. Actual capital financing requirement 2012/13

	HRA	Non-HRA	Total
Estimate of Capital Financing Requirement (Original)	£11.068 m	-£13.710 m	-£2.642 m
Estimate of Capital Financing Requirement (Revised)	£11.166 m	-£13.205 m	-£2.039 m
Actual Capital Financing Requirement	£10.924 m	-£12.852 m	-£1.928 m

The capital financing requirement indicates the underlying need to borrow and the overall negative figures are indicative of the City's debt-free status. The positive HRA indicators reflect internal borrowings from the City Fund. The method of calculating the HRA and non-HRA elements is prescribed under statute, with the overall figures derived directly from the balance sheet.

3. Actual External Debt as at 31.03.2013

	Borrowing	Other Long Term Liabilities	Total
Actual External Debt	£0	£0	£0

The Authorised Borrowing Limit for 2012/13 was set at zero and therefore the City Fund remains debt-free.

4. Actual Ratio of Financing Costs to Net Revenue Stream 2012/13

	HRA	Non-HRA	Total
Ratio of Financing Costs to Net Revenue Stream (Original)	0.23	-0.32	-0.28
Ratio of Financing Costs to Net Revenue Stream (Revised)	0.25	-0.34	-0.30
Actual Ratio of Financing Costs to Net Revenue Stream	0.24	-0.39	-0.33

This ratio seeks to represent the extent to which the net revenue consequences of borrowing impact on the net revenue stream.

The actual HRA ratio of 0.24 (which effectively means that financing costs consume some 24% of the HRA's net revenue stream) includes allowance for the internal borrowing from the City Fund and is in line with the estimated ratio.

As a result of the City Fund being a net lender in its treasury operations, the non-HRA ratio is negative at -0.39 which reflects the better than budget revenue outturn.

City Fund Capital Expenditure Forecast and Financing

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Total £m
Forecast Expenditure						
Approved Schemes	21.7	46.9	21.4	208.1	6.4	304.5
Indicative Cost of schemes awaiting approval/in the pipeline	-	5.9	32.5	24.5	13.6	76.5
Total Forecast Expenditure	21.7	52.8	53.9	232.6	20.0	381.0
Funded by:						
Revenue Reserves:						
External Grants & contributions	8.3	15.5	19.5	15.0	4.0	62.3
Earmarked Reserves	3.1	4.3	14.9	7.4	1.2	30.9
General Revenue Reserve		11.7	0.8		0.1	12.6
Crossrail Reserve - revenue				27.0		27.0
sub-total revenue reserves	11.4	31.5	35.2	49.4	5.3	132.8
Capital Reserves:						
Crossrail Reserve - capital				114.0		114.0
Capital Receipts - Strategic and Other	10.3	21.3	18.7	44.2	14.7	109.2
Shortfall - Asset Realisation Programme				25.0		25.0
sub-total capital reserves	10.3	21.3	18.7	183.2	14.7	248.2
Total Funding Requirement	21.7	52.8	53.9	232.6	20.0	381.0

City Fund Supplementary Revenue Expenditure Forecast and Financing

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Total £m
Forecast Expenditure						
Approved Schemes	3.5	4.7	0.7	1.3	-	10.2
Indicative Cost of schemes awaiting approval	-	0.2	1.0	1.5	1.0	3.7
Total Forecast Expenditure	3.5	4.9	1.7	2.8	1.0	13.9
Funded by:						
External Grants & contributions	1.7	2.9	0.6	1.0	0.9	7.1
Earmarked Reserves	0.1	0.1	-	-	-	0.2
General Revenue Reserve	1.7	1.9	1.1	1.8	0.1	6.6
	3.5	4.9	1.7	2.8	1.0	13.9

Separate tables for City Fund Capital and Supplementary Revenue Forecasts have been provided in order to clearly demonstrate the capital funding challenges and shortfall in capital reserves.

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Appendix 3

City's Cash Capital & Supplementary Revenue Expenditure Forecast and Financing

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Total £m
Forecast Expenditure						
Approved Schemes	28.5	33.2	10.8	8.1	5.1	85.7
Indicative Cost of schemes awaiting approval/in the pipeline	-	10.2	11.6	12.0	4.3	38.1
Total Forecast Expenditure	28.5	43.4	22.4	20.1	9.4	123.8
Funded by:						
External Grants & contributions	7.1	4.7	0.7	0.7	-	13.2
Contributions from other funds	0.6	-	-	-	-	0.6
Designated Sales Pool	7.3	13.1	1.6	-	-	22.0
Other Earmarked Reserves	3.7	7.1	1.0	0.1	-	11.9
City's Cash General Reserve	9.8	18.5	19.1	19.3	9.4	76.1
	28.5	43.4	22.4	20.1	9.4	123.8

Bridge House Estates Capital & Supplementary Revenue Expenditure Forecast and Financing

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Total £m
Forecast Expenditure						
Approved Schemes	1.9	1.6	2.1	0.1	-	5.7
Indicative Cost of schemes awaiting approval/in the pipeline	-	3.0	10.4	3.4	-	16.8
Total Forecast Expenditure	1.9	4.6	12.5	3.5	-	22.5
Funded by:						
External Grants & contributions	0.6	-	-	-	-	0.6
Designated Sales Pool	0.7	3.3	11.3	3.4	-	18.7
Bridges Repair Fund	0.6	-	-	-	-	0.6
Tower Bridge Tourism Surplus	-	0.2	0.7	-	-	0.9
BHE General Reserve	-	1.1	0.5	0.1	-	1.7
	1.9	4.6	12.5	3.5	-	22.5

Capital and Supplementary Revenue forecasts have been combined for City's Cash and Bridge House Estates as, unlike the City Fund, the financing is not restricted by the nature of the project.