

2006/07

PRUDENTIAL INDICATORS

	Period 3 Estimate	Latest Forecast
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AFFORDABILITY

Ratio of financing costs to net revenue stream

Non - HRA	7.38%	6.24%
HRA	19.42%	16.47%

This expresses the capital financing budget as a proportion of the total budget requirement.

Level of "unsupported" borrowing for the General Fund

	£000	£000
Unsupported borrowing brought forward	12,609	12,609
New unsupported borrowing	20,104	15,064
Less unsupported borrowing repaid	<u>(3,307)</u>	<u>(2,814)</u>
Total unsupported borrowing carried forward	<u>29,406</u>	<u>24,859</u>

Main reduction in level of new unsupported borrowing relates to PAC.

Level of "unsupported" borrowing relating to the HRA

	£000	£000
Unsupported borrowing brought forward	15,760	15,760
New unsupported borrowing	6,000	6,500
Less unsupported borrowing repaid	<u>(640)</u>	<u>(640)</u>
Total unsupported borrowing carried forward	<u>21,120</u>	<u>21,620</u>

Estimated incremental impact on council tax & average weekly rents of 2006/07 capital investment decisions

	£	£
Band D council tax (£1,033.91)	0.00	0.00
HRA rent (£49.56)	0.14	0.14

PRUDENCE

Level of capital expenditure

	£000	£000
Childrens & Young People Services	17,381	16,808
Housing	10,045	8,907
Transport	11,982	11,480
Regeneration	16,637	16,237
Other	28,527	24,113
Total non-HRA	84,572	77,545
HRA	28,524	25,719
Total	113,096	103,264

Capital Financing Requirement

This measures the authority's underlying need to borrow for capital purposes.

	£000	£000
Non HRA	249,511	225,782
HRA	198,155	198,545

The reduction in Non HRA borrowing largely relates to the fact that BSF expenditure is now to be funded by grant (not borrowing) and slippage on PAC.

General Fund Capital Financing Requirement split between unsupported and supported borrowing

	£000	£000
Supported Borrowing	219,056	201,121
Unsupported Borrowing	30,455	24,661
	<u>249,511</u>	<u>225,782</u>

Authorised Limit

This is a statutory limit relating to external debt and is consistent with the authority's plans for capital expenditure and financing and with its treasury management policies.

The currently approved limit is £540 million.

Operational Boundary

This is based on the same estimates as the Authorised Limit but reflects the Chief Finance Officer's estimate of the most likely level of debt.

The currently approved limit is £420 million.

SUSTAINABILITY**Upper limit on fixed and variable interest rate exposures, as a percentage of total debt net of investments**

	%
Fixed interest rate	120
Variable interest rate	45

Upper & lower limits for the maturity structure of its borrowing

	%
Under 12 months	
upper limit	30
lower limit	0
12 months & within 24 months	
upper limit	30
lower limit	0
24 months & within 5 years	
upper limit	60
lower limit	0
5 years & within 10 years	
upper limit	60
lower limit	0
10 years & above	
upper limit	100
lower limit	0

The upper limit for principal sums invested for more than 364 days is £30 million for 2005/06 and subsequent years.