

2006/07

## PRUDENTIAL INDICATORS

	Period 7 Estimate	Latest Forecast
<b>AFFORDABILITY</b>		
<b>Ratio of financing costs to net revenue stream</b>		
Non - HRA	6.24%	6.24%
HRA	16.47%	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	12,624	12,624
New unsupported borrowing	15,064	15,034
Less unsupported borrowing repaid	<u>(2,814)</u>	<u>(2,640)</u>
Total unsupported borrowing carried forward	<u>24,874</u>	<u>25,018</u>

**Level of "unsupported" borrowing relating to the HRA**

	£000	£000
Unsupported borrowing brought forward	15,760	15,760
New unsupported borrowing	6,500	6,500
Less unsupported borrowing repaid	<u>(640)</u>	<u>(640)</u>
Total unsupported borrowing carried forward	<u>21,620</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	16,808	16,550
Housing	8,907	8,905
Transport	11,480	10,856
Regeneration	16,237	16,237
Other	24,113	21,005
Total non-HRA	77,545	73,553
HRA	25,719	25,465
Total	103,264	99,018

**Capital Financing Requirement**

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

	£000	£000
Non HRA	225,782	225,550
HRA	198,545	198,545

**General Fund Capital Financing Requirement split between unsupported and supported borrowing**

	£000	£000
Supported Borrowing	201,121	201,121
Unsupported Borrowing	24,661	24,429
	<u>225,782</u>	<u>225,550</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.