

2007/08

PRUDENTIAL INDICATORS

	Estimate	Latest Forecast
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AFFORDABILITY

Ratio of financing costs to net revenue stream

Non - HRA	8.10%	8.10%
HRA	16.96%	15.37%

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	24,859	19,572
New unsupported borrowing	25,658	30,197 *
Less unsupported borrowing repaid	<u>(6,997)</u>	<u>(4,489)</u>
Total unsupported borrowing carried forward	<u>43,520</u>	<u>45,280</u>

The reduction in the level of unsupported borrowing in 2006/07 largely relates to slippage in the CLABS programme.

* Includes an estimate of £1 million for further, unidentified borrowing.

Level of "unsupported" borrowing relating to the HRA

	£000	£000
Unsupported borrowing brought forward	21,620	20,487
New unsupported borrowing	3,100	4,233 *
Less unsupported borrowing repaid	<u>(900)</u>	<u>(855)</u>
Total unsupported borrowing carried forward	<u>23,820</u>	<u>23,865</u>

* Increase in HRA borrowing relates to approved borrowing deferred from 2006/07.

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

	£	£
Band D council tax (£1061.21)	0.00	0.00
HRA rent (£52.07)	0.07	0.08

PRUDENCE

Level of capital expenditure

	£000	£000
Childrens & Young People Services	16,400	28,823 ****
Housing	7,905	6,855
Transport	10,000	22,767 *
Regeneration	22,000	28,675 **
Other	6,680	12,014 ***
Total non-HRA	62,985	99,134
HRA	24,320	23,598
Total	87,305	122,732

* Increase in Transport programme relates to approval now received for Upperton Road Viaduct.

** Increase in Regeneration programme includes recently approved additions relating to Digital Media

Centre (phase 2) and additional units at Ross Walk.

*** Increases in other areas of expenditure include new schemes such as Area Committees and development of Football Facilities and revised cashflows.

**** Increase in the Childrens programme relates to Building Schools for the Future with a forecast spend of £12.3m

Capital Financing Requirement

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

	£000	£000
Non HRA	257,695	275,272
HRA	206,245	205,087

General Fund Capital Financing Requirement split between unsupported and supported borrowing

	£000	£000
Supported Borrowing	214,175	229,992
Unsupported Borrowing	43,520	45,280
	<u>257,695</u>	<u>275,272</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 £480 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 £60 million for 2005/06 and subsequent years.