

2007/08

PRUDENTIAL INDICATORS

	Estimate	Latest Forecast
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AFFORDABILITY**Ratio of financing costs to net revenue stream**

Non - HRA	8.10%	6.30% *
HRA	15.37%	16.65%

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

* reduction due to forecast saving in capital financing budget.

Level of "unsupported" borrowing for the General Fund

	£000	£000
Unsupported borrowing brought forward	19,572	19,572
New unsupported borrowing	30,197	15,636 *
Less unsupported borrowing repaid	<u>(4,489)</u>	<u>(3,758)</u>
Total unsupported borrowing carried forward	<u>45,280</u>	<u>31,450</u>

* the level of prudential borrowing required in 2007/08 has reduced in relation to vehicles, City Centre, RMS and PAC (due to the expectation that all Arts Council grant will be claimed in 2007/08).

Level of "unsupported" borrowing relating to the HRA

	£000	£000
Unsupported borrowing brought forward	20,487	20,487
New unsupported borrowing	4,233	4,233
Less unsupported borrowing repaid	<u>(855)</u>	<u>(855)</u>
Total unsupported borrowing carried forward	<u>23,865</u>	<u>23,865</u>

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)	0.08	0.09

PRUDENCE**Level of capital expenditure**

	£000	£000
Childrens & Young People Services	28,823	29,403
Housing	6,855	6,855
Transport	22,767	22,358
Regeneration	28,675	29,669
Other	12,014	12,459
Total non-HRA	99,134	100,744
HRA	23,598	23,607
Total	122,732	124,351

Capital Financing Requirement

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

	£000	£000
Non HRA	275,272	261,442
HRA	205,087	205,087

General Fund Capital Financing Requirement split between unsupported and supported borrowing

	£000	£000
Supported Borrowing	229,992	229,992
Unsupported Borrowing	45,280	31,450
	<u>275,272</u>	<u>261,442</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.