

2008/09

PRUDENTIAL INDICATORS

	Estimate	Latest Forecast
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AFFORDABILITY

Ratio of financing costs to net revenue stream

Non - HRA	7.60%	7.59%
HRA	16.34%	16.56%

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	31,010	29,913
New unsupported borrowing	25,414	18,868
Less unsupported borrowing repaid	<u>(3,553)</u>	<u>(3,295)</u>
Total unsupported borrowing carried forward	<u>52,871</u>	<u>45,486</u>

Some borrowing initially forecast for 2008/09 is now anticipated to be in later years.

Level of "unsupported" borrowing relating to the HRA

	£000	£000
Unsupported borrowing brought forward	23,865	20,121
New unsupported borrowing	1,000	1,600
Less unsupported borrowing repaid	<u>(1,024)</u>	<u>(874)</u>
Total unsupported borrowing carried forward	<u>23,841</u>	<u>20,847</u>

Estimated incremental impact on council tax & average weekly rents of 2008/09 capital investment decisions

	£	£
Band D council tax (£1,113.74)	0.00	0.00
HRA rent (£54.86)	0.02	0.04 *

*increase from £0.02 due to increase in 08/09 unsupported borrowing from £1m to £1.6m currently assumed, and increase in interest rate.

PRUDENCE

Level of capital expenditure

	£000	£000
Children & Young People's Services	17,370	40,251
Housing	6,051	6,500
Transport	16,127	14,963
Regeneration	8,900	29,223
Other	9,000	11,819
Total non-HRA	57,448	102,756
HRA	20,800	21,084
Total	78,248	123,840

The forecast level of capital expenditure is higher than originally forecast. The level of external resources is higher than forecast increasing the level of expenditure.

Capital Financing Requirement

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

	£000	£000
Non HRA	285,652	280,185
HRA	210,563	207,568

General Fund Capital Financing Requirement split between unsupported and supported borrowing

	£000	£000
Supported Borrowing	232,781	234,699
Unsupported Borrowing	52,871	45,486
	<u>285,652</u>	<u>280,185</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 £500 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 £370 million.

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

	%
Fixed interest rate	150
Variable interest rate	45

Upper & lower limits for the maturity structure of its borrowing

	%
Under 12 months	
upper limit	30
lower limit	10
12 months & within 24 months	
upper limit	40
lower limit	10
24 months & within 5 years	
upper limit	60
lower limit	10
5 years & within 10 years	
upper limit	60
lower limit	10
10 years & above	
upper limit	100
lower limit	10

The upper limit for principal sums invested for more than 364 days is £90 million for 2008/09 and subsequent years.