

2005/06

PRUDENTIAL INDICATORS

	Estimate	Latest Forecast
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AFFORDABILITY

Ratio of financing costs to net revenue stream

Non - HRA	3.84%	3.84%
HRA	17.03%	16.59%

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	5,846	5,846
New unsupported borrowing	10,179	8,207
Less unsupported borrowing repaid	<u>(1,223)</u>	<u>(782)</u>
Total unsupported borrowing carried forward	<u>14,802</u>	<u>13,271</u>

Level of "unsupported" borrowing relating to the HRA

	£000	£000
Unsupported borrowing brought forward	6,000	6,000
New unsupported borrowing	12,000	12,000
Less unsupported borrowing repaid	<u>(240)</u>	<u>(240)</u>
Total unsupported borrowing carried forward	<u>17,760</u>	<u>17,760</u>

Estimated incremental impact on council tax & average weekly rents of 2005/06 capital investment decisions

	£	£
Band D council tax (£1007.32)	10.44	10.44
HRA rent (£47.02)	0.28	0.28

PRUDENCE

Level of capital expenditure

	£000	£000
Education	24,302	23,777
Housing	13,013	12,800
Transport	12,547	11,073 *
Regeneration	16,778	15,670
Other	18,501	14,865
Total non-HRA	85,141	78,185
HRA	35,402	35,068
Total	120,543	113,253

* Monitoring of 2 schemes transferred from Transport to Regeneration.

Capital Financing Requirement 31 March 2006

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

	£000	£000
Non HRA	217,429	214,534
HRA	189,296	189,186

General Fund Capital Financing Requirement split between unsupported and supported borrowing

	£000	£000
Supported Borrowing	202,627	201,245
Unsupported Borrowing	<u>14,802</u>	<u>13,289</u>
	<u>217,429</u>	<u>214,534</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 £487.448 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 £388.79 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.