

2006/07

PRUDENTIAL INDICATORS

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

Non - HRA	7.90%	7.38%
HRA	18.18%	19.42%

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	13,289	12,609
New unsupported borrowing	32,979	20,104
Less unsupported borrowing repaid	<u>(3,175)</u>	<u>(3,307)</u>
Total unsupported borrowing carried forward	<u>43,093</u>	<u>29,406</u>

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

Level of "unsupported" borrowing relating to the HRA

	£000	£000
Unsupported borrowing brought forward	17,760	15,760
New unsupported borrowing	6,000	6,000
Less unsupported borrowing repaid	<u>(720)</u>	<u>(640)</u>
Total unsupported borrowing carried forward	<u>23,040</u>	<u>21,120</u>

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

	£	£
Band D council tax (£1033.91)	0.00	0.00
HRA rent (£49.56)	0.14	0.14

PRUDENCE**Level of capital expenditure**

	£000	£000
Childrens & Young People Services	29,400	17,381
Housing	9,732	10,045
Transport	11,800	11,982
Regeneration	18,000	16,637
Other	20,500	28,527
Total non-HRA	89,432	84,572
HRA	27,598	28,524
Total	117,030	113,096

Capital Financing Requirement

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

	£000	£000
Non HRA	263,113	249,511
HRA	200,173	198,155

General Fund Capital Financing Requirement split between unsupported and supported borrowing

	£000	£000
Supported Borrowing	220,020	219,056
Unsupported Borrowing	<u>43,093</u>	<u>30,455</u>
	<u>263,113</u>	<u>249,511</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.