## **Prudential and Treasury Indicators**

## **Prudential Indicators**

a) The actual capital expenditure that was incurred in 2010/11 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

| TABLE 1 SECTION 2.3                | 2010/11 | 2011/12            | 2012/13             | 2013/14             | 2014/15             | 2015/16             | 2016/17             |
|------------------------------------|---------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Capital Expenditure                | actual  | Latest<br>Estimate | Indicative estimate |
|                                    | £'000   | £'000              | £'000               | £'000               | £'000               | £'000               | £'000               |
| Private Sector Housing Improvement | 518     | 654                | 622                 | 215                 | 215                 | 215                 | 215                 |
| Invest and Repair Programme        | 205     | 1,464              | 1,466               | 96                  | 96                  | 96                  | 96                  |
| Community Project Schemes          | 4,574   | 3,145              | 343                 | 101                 | 101                 | 101                 | 101                 |
| Invest to Save Projects            | -       | 218                | 230                 | 230                 | 230                 | 230                 | 230                 |
| E Government Investment Programme  | 455     | 323                | 305                 | 220                 | 220                 | 220                 | 220                 |
| HRA                                | 2,233   | 2,508              | 2,537               | 2,475               | 2,480               | 2,490               | 2,495               |
| TOTAL                              | 7,985   | 8,312              | 5,503               | 3,337               | 3,342               | 3,352               | 3,357               |

**b)** The actual capital expenditure that was incurred in 2010/11 and the estimates of capital expenditure to be incurred for the current and future years, including the financing of the programme are:

| TABLE 2 SECTION 2.3             | 2010/11 | 2011/12            | 2012/13             | 2013/14             | 2014/15             | 2015/16             | 2016/17             |
|---------------------------------|---------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Capital Expenditure             | actual  | Latest<br>Estimate | Indicative estimate |
|                                 | £'000   | £'000              | £'000               | £'000               | £'000               | £'000               | £'000               |
| Non - HRA                       | 5,752   | 5,804              | 2,966               | 862                 | 862                 | 862                 | 862                 |
| HRA                             | 2,233   | 2,508              | 2,537               | 2,475               | 2,480               | 2,490               | 2,495               |
| Financed By                     |         |                    |                     |                     |                     |                     |                     |
| Capital Grants                  | 7,388   | 3,713              | 2,811               | 2,690               | 2,695               | 2,705               | 2,710               |
| Capital Receipts                | 527     | 200                | 200                 | 200                 | 200                 | 200                 | 200                 |
| Revenue Contribution            | 50      | 35                 | -                   | -                   | -                   | -                   | -                   |
| Net financing need for the year | 20      | 4,364              | 2,492               | 447                 | 447                 | 447                 | 447                 |

c) Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual capital financing requirement at 31 March 2011 are:

| TABLE 3 SECTION 2.4                          | 2010/11 | 2011/12            | 2012/13             | 2013/14             | 2014/15             | 2015/16             | 2016/17             |
|--|---------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Capital Financing requirement as at 31 March | actual  | Latest<br>Estimate | Indicative estimate |
|  | £'000   | £'000              | £'000               | £'000               | £'000               | £'000               | £'000               |
| Non - HRA                                    | 7,572   | 11,813             | 14,095              | 14,283              | 14,404              | 14,525              | 14,646              |
| HRA  | 4,819   | 4,819              | 4,819               | 4,819               | 4,819               | 4,819               | 4,819               |
| HRA - Settlement                             | -       | 72,900             | 72,900              | 72,900              | 72,900              | 72,900              | 72,900              |
| TOTAL  | 12,391  | 89,532             | 91,814              | 92,002              | 92,123              | 92,244              | 92,365              |
| Movement in CFR                              | (172)   | (77,141)           | (2,282)             | (188)               | (121)               | (121)               | (121)               |

d) Estimates of the change in capital financing requirement for the authority for the current and future years and the actual change in capital financing requirement in 2010/11 are:

| TABLE 4 SECTION 2.4                    | 2010/11 | 2011/12            | 2012/13             | 2013/14             | 2014/15             | 2015/16             | 2016/17             |
|--|---------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Movement in CFR represented by         | actual  | Latest<br>Estimate | Indicative estimate |
|  | £'000   | £'000              | £'000               | £'000               | £'000               | £'000               | £'000               |
| Net financing need for the year        | 20      | 4,364              | 2,492               | 447                 | 447                 | 447                 | 447                 |
| HRA Settlement                         | 0       | 72,900             | 0                   | 0                   | 0                   | 0                   | 0                   |
| Less MRP and other financing movements | 192     | 123                | 210                 | 259                 | 326                 | 326                 | 326                 |
| Movement in CFR                        | (172)   | 77,141             | 2,282               | 188                 | 121                 | 121                 | 121                 |

e) Estimates of the resources at 31 March for the authority for the current and future years are:

| TABLE 5 SECTION 2.6  | 2010/11 | 2011/12            | 2012/13             | 2013/14             | 2014/15             | 2015/16             | 2016/17             |
|----------------------|---------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Year End Resources   | actual  | Latest<br>Estimate | Indicative estimate |
|                      | £'000   | £'000              | £'000               | £'000               | £'000               | £'000               | £'000               |
| Fund balances        | 1,978   | 1,992              | 1,992               | 1,992               | 1,992               | 1,992               | 1,992               |
| Reserves             | 6,299   | 6,251              | 6,174               | 6,159               | 6,139               | 6,109               | 6,074               |
| Capital receipts     | 251     | 251                | 251                 | 251                 | 251                 | 251                 | 251                 |
| Total core funds     | 8,528   | 8,494              | 8,417               | 8,402               | 8,382               | 8,352               | 8,317               |
| Working Capital      | 1,363   | 1,380              | 1,380               | 1,380               | 1,380               | 1,380               | 1,380               |
| Expected Investments | 9,891   | 9,874              | 9,797               | 9,782               | 9,762               | 9,732               | 9,697               |

f) Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2010/11

| TABLE 6 SECTION 2.8                            | 2010/11 | 2011/12            | 2012/13             | 2013/14             | 2014/15             | 2015/16 | 2016/17 |
|--|---------|--------------------|---------------------|---------------------|---------------------|---------|---------|
| Ratio of financing costs to net revenue stream | actual  | Latest<br>Estimate | Indicative estimate | Indicative estimate | Indicative estimate |         |         |
| Non - HRA                                      | 0.92%   | 1.84%              | 1.99%               | 1.65%               | 2.29%               | 2.34%   | 2.33%   |
| HRA  | 0.00%   | 23.97%             | 22.86%              | 22.83%              | 23.00%              | 22.19%  | 20.60%  |

**g)** The estimate of the incremental impact of capital investment decisions proposed, over and above capital investment decisions that have previously been taken by the Council are:

| TABLES 7 and 8 SECTIONS 2.9 and 2.10   | 2010/11 | 20 | 11/12           | 20 | 12/13             | 20 | 013/14             | 2014/15             | 2015/16             | 2016/17             |
|--|---------|----|-----------------|----|-------------------|----|--------------------|---------------------|---------------------|---------------------|
| Incremental impact of capital investment decisions, over and above capital investment decisions that have previously | actual  |    | atest<br>timate |    | icative<br>timate |    | licative<br>timate | Indicative estimate | Indicative estimate | Indicative estimate |
| been taken by the Council are:   | £       |    | £               |    | £                 |    | £                  | £                   | £                   | £                   |
| Council Tax Band D (indicative figure - per year   | n/a     | £  | 5.88            | £  | 2.67              | £  | 0.38               | n/a                 | n/a                 | n/a                 |
| Housing Rents Average Weekly Housing Rents   | n/a     | £) | 0.00)           | (£ | 0.00)             | £) | 0.00)              | n/a                 | n/a                 | n/a                 |

h) Estimates of the treasury portfolio position for the current and future years and the actual position at 31 March 2011 are:

| TABLE 9 SECTION 2.14                | 2010/11 | 2011/12            | 2012/13             | 2013/14             | 2014/15             | 2015/16             | 2016/17             |
|-------------------------------------|---------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Current treasury portfolio position | actual  | Latest<br>Estimate | Indicative estimate |
|                                     | £'000   | £'000              | £'000               | £'000               | £'000               | £'000               | £'000               |
| External Debt                       |         |                    |                     |                     |                     |                     |                     |
| Debt at 1 April                     | 7,109   | 6,024              | 6,000               | 6,000               | 6,000               | 6,000               | 6,000               |
| Expected Change in Debt             | (1,085) | (24)               | 0                   | 0                   | 0                   | 0                   | 0                   |
| HRA Settlement                      | 0       | 72,900             | 72,900              | 72,900              | 72,900              | 72,900              | 72,900              |
| Other long term liabilities (OLTL)  | 335     | 376                | 357                 | 339                 | 322                 | 306                 | 291                 |
| Expected Change in OLTL             | 41      | (19)               | (18)                | (17)                | (16)                | (15)                | (15)                |
| Actual debt at 31 March             | 6,400   | 79,257             | 79,239              | 79,222              | 79,206              | 79,191              | 79,176              |
| The Capital Financing Requirement   | 12,391  | 89,532             | 91,814              | 92,002              | 92,123              | 92,244              | 92,365              |
| Under / (over) borrowing            | 5,991   | 10,275             | 12,575              | 12,780              | 12,917              | 13,053              | 13,189              |
| Total Investments at 31 March       |         |                    |                     |                     |                     |                     |                     |
| Investments                         | 2,804   | 2,804              | 2,804               | 2,804               | 2,804               | 2,804               | 2,804               |
| Net Debt                            | 3,596   | 76,453             | 76,435              | 76,418              | 76,402              | 76,387              | 76,372              |

i) This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

| TABLE 10 SECTION 2.18                    | 2010/11 | 2011/12            | 2012/13             | 2013/14             | 2014/15             | 2015/16             | 2016/17             |
|--|---------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operational Boundary for external debt - | actual  | Latest<br>Estimate | Indicative estimate |
|  | £'000   | £'000              | £'000               | £'000               | £'000               | £'000               | £'000               |
| Borrowing                                | 17,000  | 22,000             | 24,000              | 24,000              | 24,000              | 25,000              | 25,000              |
| HRA Settlement                           | -       | 73,000             | 73,000              | 73,000              | 73,000              | 73,000              | 73,000              |
| other long term liabilities              | -       | -                  | -                   | -                   | -                   | -                   | -                   |
| TOTAL                                    | 17,000  | 95,000             | 97,000              | 97,000              | 97,000              | 98,000              | 98,000              |

j) A further key prudential indicator represents a control on the maximum level of debt. This represents a limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

| TABLE 11 SECTION 2.19                | 2010/11 | 2011/12            | 2012/13             | 2013/14             | 2014/15             | 2015/16 | 2016/17             |
|--------------------------------------|---------|--------------------|---------------------|---------------------|---------------------|---------|---------------------|
| Authorised Limit for external debt - | actual  | Latest<br>Estimate | Indicative estimate | Indicative estimate | Indicative estimate |         | Indicative estimate |
|                                      | £'000   | £'000              | £'000               | £'000               | £'000               | £'000   | £'000               |
| Borrowing                            | 22,000  | 27,000             | 29,000              | 29,000              | 29,000              | 30,000  | 30,000              |
| HRA Settlement                       | -       | 73,000             | 73,000              | 73,000              | 73,000              | 73,000  | 73,000              |
| TOTAL                                | 22,000  | 100,000            | 102,000             | 102,000             | 102,000             | 103,000 | 103,000             |

**k)** HRA Debt Limit. Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This is in accordance with the settlement and is prescribed as part of the self financing determination.

| TABLE 12 SECTION 2.20 | 2010/11 | 2011/12  | 2012/13    | 2013/14    | 2014/15    | 2015/16    | 2016/17    |
|-----------------------|---------|----------|------------|------------|------------|------------|------------|
| HRA Debt Limit        | actual  | Latest   | Indicative | Indicative | Indicative | Indicative | Indicative |
| HRA Debt Lillit       | actuai  | Estimate | estimate   | estimate   | estimate   | estimate   | estimate   |
|                       |         |          |            |            |            |            |            |
|                       | £'000   | £'000    | £'000      | £'000      | £'000      | £'000      | £'000      |
| TOTAL                 | -       | 79.146   | 79.146     | 79.146     | 79.146     | 79.146     | 79.146     |

I) The Council's Prudential Indicators for treasury management are detailed below:

| TABLE 13 SECTION 2.27                        | 2010/11 | 2011/12            | 2012/13             | 2013/14             | 2014/15             | 2015/16     | 2016/17             |
|--|---------|--------------------|---------------------|---------------------|---------------------|-------------|---------------------|
| Interest rate exposures                      | actual  | Latest<br>Estimate | Indicative estimate | Indicative estimate | Indicative estimate |             | Indicative estimate |
| Upper limit for fixed interest rate exposure |         |                    |                     |                     |                     |             |                     |
| based on net debt                            | n/a     | 100%               | 100%                | 100%                | 100%                | 100%        | 100%                |
| Upper limit for variable rate exposure based |         |                    |                     |                     |                     |             |                     |
| on net debt                                  | n/a     | 100%               | 100%                | 100%                | 100%                | 100%        | 100%                |
| Maturity structure of fixed rate borrowing   |         |                    | Lower Limit         | t                   | ι                   | Jpper Limit | i                   |
| under 12 Months                              |         |                    | 0%                  |                     |                     | 100%        |                     |
| between 12 Months and 24 months              |         |                    | 0%                  |                     |                     | 100%        |                     |
| between 24 months and 5 years                |         |                    | 0%                  |                     |                     | 100%        |                     |
| between 5 and 10 years                       |         |                    | 0%                  |                     |                     | 100%        |                     |
| more than 10 years                           |         |                    | 0%                  |                     |                     | 100%        |                     |

TABLE 14 In the report refers to time and monetary limits applying to investments.

| TABLE 15 SECTION 2.43                     | 2010/11 | 2011/12            | 2012/13             | 2013/14             | 2014/15             | 2015/16             | 2016/17 |
|---|---------|--------------------|---------------------|---------------------|---------------------|---------------------|---------|
|   | actual  | Latest<br>Estimate | Indicative estimate | Indicative estimate | Indicative estimate | Indicative estimate |         |
| Principal sums invested for over 364 days | 17,000  | 22,000             | 24,000              | 24,000              | 24,000              | 25,000              | 25,000  |

Note: All indicators have been reviewed by our external treasury advisors Sector.