

PRUDENTIAL INDICATORS**PRUDENTIAL INDICATORS****Ratio of Financing Costs to Net Revenue Stream**

2010/11 %	2011/12 %	2012/13 %	2013/14 %
-1.6	-1.8	-3.0	-4.1

This indicator shows the proportion of the net revenue stream (revenue budget) that is attributable to financing costs of capital expenditure. Borrowing may be needed to fund the current Capital Programme in 2012/13 and additional borrowing in 2013/14.

Incremental Impact of Capital Investment Decisions on the Council Tax

	2010/11 £,000	2011/12 £,000	2012/13 £,000	2013/14 £,000
i) Forecast of total budgetary requirement no changes to capital programme	7,288	9,850	3,267	1,997
ii) Forecast of total budgetary requirement after changes to capital programme	7,658	10,000	3,450	2,260
iii) Additional Council Tax Required	6.12	2.46	2.97	4.22

Demonstrates the affordability of the capital programme. It demonstrates the impact of the proposed capital programme upon the Council Tax.

Current Financial Plan

2010/11 £,000	2011/12 £,000	2012/13 £,000	2013/14 £,000
7,658	10,000	3,450	2,260

This is the estimate of capital expenditure taken from the Corporate Revenue and Capital Budget 2010/11 Onwards .

Capital Financing Requirement

2010/11 £,000	2011/12 £,000	2012/13 £,000	2013/14 £,000
0	0	2,371	1,810

This indicator measures the underlying need to borrow for capital purposes.

PRUDENTIAL INDICATORS

TREASURY MANAGEMENT INDICATORS**Authorised Limit for External Debt**

	2010/11 £,000	2011/12 £,000	2012/13 £,000	2013/14 £,000
Borrowing	8,000	8,000	8,000	8,000
Other Long Term Liabilities	7,074	6,684	6,294	5,891
Total	15,074	14,684	14,294	13,891

This limit is the main limit set as a maximum for external borrowing. It fulfils the requirements under section 3 of the Local Government Act 2003.

Operational Boundary

	2010/11 £,000	2011/12 £,000	2012/13 £,000	2013/14 £,000
Borrowing	4,000	4,000	4,000	4,000
Other Long Term Liabilities	6,694	6,294	5,891	5,463
Total	10,694	10,294	9,891	9,463

This limit should be the focus of day to day treasury management. It is similar to the Authorised Limit but is the prudent estimate, not worse case scenario.

Upper Limit for Fixed Interest Rate Exposure

2010/11 %	2011/12 %	2012/13 %	2013/14 %
100	100	100	100

This is the maximum amount of net borrowing and investment that can be at a fixed rate. Variable rate call accounts may be cleared during periods of high payments eg Precept so fixed rate can peak during these periods.

Upper Limit for Variable Interest Rate Exposure

2010/11 %	2011/12 %	2012/13 %	2013/14 %
80	80	80	80

This is the maximum amount of net borrowing and investment that can be at a variable rate. The limit set reflects the fact that during the year there can be excess surplus funds available for short term investment. These arise from timing differences between receipts received and payments made.

Maturity Structure of New Fixed Rate Borrowing during 2011/12

	Upper Limit %	Lower Limit %
Under 12 months	100	0
12 months to under 24 months	100	0
24 months to under 5 years	100	0
5 years to under 10 years	100	0
10 years and over	100	0

It is may be necessary to borrow that at fixed term rates during 2012/13 as well as short term during period. This will be monitored as the year progresses and a decision will then be made.

Principal Invested for more than 364 Days

2010/11 %	2011/12 %	2012/13 %	2013/14 %
20	20	20	20

This indicator is set to reflect current advice from our Treasury Management Advisors.

Actual External Debt for 2010/11

	2010/11 £,000
Actual Borrowing	0
Other Long Term Liabilities	6,694
Total	6,694

Actual point in time of external borrowing