

PRUDENTIAL INDICATORS

Ratio of Financing Costs to Net Revenue Stream

| 2011/12 Actual % | 2012/13 Estimate % | 2012/13 Actual % |
|------------------------|--------------------------|------------------------|
| -0.5 | -0.2 | -2.2 |

This indicator shows the proportion of the net revenue stream (revenue budget) that is attributable to financing costs of capital expenditure. As there is no borrowing this shows as a negative figure as it is based on investment income only.

Incremental Impact of Capital Investment Decisions on the Council Tax

| | 2011/12 Actual £,000 | 2012/13 Estimate £,000 | 2012/13 Actual £,000 |
|--|----------------------------|------------------------------|----------------------------|
| iii) Additional Council Tax Required in £.p. | 3.42 | 2.46 | 0.22 |

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

Capital Expenditure

| 2011/12 Actual £,000 | 2012/13 Estimate £,000 | 2012/13 Actual £,000 |
|----------------------------|------------------------------|----------------------------|
| 7,581 | 4,626 | 5,008 |

Capital expenditure for financial year 2012/13

Capital Financing Requirement

| 2011/12 Actual £,000 | 2012/13 Estimate £,000 | 2012/13 Actual £,000 |
|----------------------------|------------------------------|----------------------------|
| -43 | 6,000 | 1,934 |

The CFR measures the underlying need to borrow (whether this will be with internal cash or external borrowing).

Treasury Management Indicators

Authorised Limit for External Debt

| | 2011/12 Actual £,000 | 2012/13 Estimate £,000 | 2012/13 Actual £,000 |
|-----------------------------|----------------------------|------------------------------|----------------------------|
| Borrowing | 8,000 | 10,000 | 0 |
| Other Long Term Liabilities | 6,684 | 6,294 | 6,294 |
| Total | 14,684 | 16,294 | 6,294 |

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. No borrowing was undertaken so no limits were breached.

Operational Limit for External Debt

| | 2011/12 Actual £,000 | 2012/13 Estimate £,000 | 2012/13 Actual £,000 |
|-----------------------------|----------------------------|------------------------------|----------------------------|
| Borrowing | 4,000 | 6,000 | 0 |
| Other Long Term Liabilities | 6,684 | 6,294 | 6,294 |
| Total | 10,684 | 12,294 | 6,294 |

This limit should be the focus of day to day treasury management. It is similar to the Authorised Limit but excludes the allowance for temporary cash flow borrowing as perceived as not necessary on a day to day

Upper Limit for Fixed Interest Rate Exposure

| 2011/12 Actual % | 2012/13 Estimate % | 2012/13 Actual % |
|------------------------|--------------------------|------------------------|
| 99 | 100 | 93 |

This is the maximum amount of gross borrowing and investment that can be at a fixed rate. Due to the nature of the council's cashflows it is likely that this limit will only be approached towards the end of the financial year when there are less surplus funds available for short term

Upper Limit for Variable Interest Rate Exposure

| 2011/12 Actual % | 2012/13 Estimate % | 2012/13 Actual % |
|------------------------|--------------------------|------------------------|
| 48 | 80 | 62 |

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

Principal Invested for more than 364 Days

| 2011/12 Actual £,000 | 2012/13 Estimate £,000 | 2012/13 Actual £,000 |
|----------------------------|------------------------------|----------------------------|
| 3,000 | 3,000 | 2,000 |

This indicator is shows that the Council had invested £2m of its £3m core cash which was invested for 367 days.