

## Prudential Indicators Monitoring at 30 September 2011

**Affordability**

## a) Estimate of the ratio of financing costs to net revenue stream

Ratio of financing costs to net revenue stream		
	2011-12 Estimate %	2011-12 Estimate at 30/09/2011 %
General Fund	7.58%	6.16%
HRA	17.67%	18.31%

## b) Estimate of the incremental impact of capital investment decisions on the council tax

Estimates of incremental impact of new capital investment decisions on the Council Tax	
	2011-12 Estimate £.p
General Fund	(0.04)

This indicator is set before the start of the financial year, in the context of the budget setting process, which feeds into the setting of Council Tax and Housing Rents. As these are set and fixed for the financial year ahead, any capital investment decisions made during the year cannot impact on the existing Council Tax and Housing rent levels. This means that new capital investment plans approved during the year must be funded externally or from within existing resources.

## c) Estimate of the incremental impact of capital investment decisions on the housing rents

Estimates of incremental impact of new capital investment decisions on average weekly housing rents	
	2011-12 Estimate £.p
Housing Revenue Account	0.74

This indicator is set before the start of the financial year, in the context of the budget setting process, which feeds into the setting of Council Tax and Housing Rents. As these are set and fixed for the financial year ahead, any capital investment decisions made during the year cannot impact on the existing Council Tax and Housing rent levels. This means that new capital investment plans approved during the year must be funded externally or from within existing resources.

**Prudence**

## d) Net borrowing and the capital financing requirement (CFR)

Net external debt less than CFR				
	2011-12 £000	2011-12 Position at 30/09/2011 £000	2011-12 Maximum Net to 30/09/2011 £000	2011-12 Forecast Maximum £000
Borrowing	32,007	32,026	32,051	32,051
Less investments	65,962	71,644	101,289	101,289
Net external debt	0	0	0	0
2009-10 Closing CFR (Forecast)	25,043	20,106	20,106	20,106
Changes to CFR:				
2010-11	9,580	8,965	8,965	8,965
2011-12	12,249	12,036	12,036	12,036
2012-13	(893)	(1,107)	(1,107)	(1,107)
Adjusted CFR	45,979	40,000	40,000	40,000
Net external debt less than adjusted CFR	Yes	Yes	Yes	Yes

**Capital Expenditure**

## e) Estimate of capital expenditure

Capital Expenditure		
	2011-12 Estimate £000	2011-12 Estimate at 30/09/2011 £000
General Fund	9,864	18,837
HRA	19,748	22,668
<b>Total</b>	<b>25,490</b>	<b>41,505</b>

## f) Estimates of capital financing requirement (CFR)

Capital Financing Requirement (Closing CFR)		
	2011-12 31 March 2012 Estimate £000	2011-12 31 March 2012 Estimate at 30/09/2011 £000
General Fund	31,081	31,509
HRA	3,542	(2,437)
<b>Total</b>	<b>34,623</b>	<b>29,072</b>

**External Debt**

## g) Authorised limit for external debt

Authorised limit for external debt				
	2011-12 Limit £000	2011-12 Actual at 30/09/2011 £000	2011-12 Maximum to 30/09/2011 £000	2011-12 Forecast Maximum £000
Borrowing	51,000	32,026	32,051	32,051
Other long-term liabilities	4,000	518	518	518
<b>Total</b>	<b>55,000</b>	<b>32,544</b>	<b>32,569</b>	<b>32,569</b>

## h) Operational boundary for external debt

Operational boundary for external debt				
	2011-12 Boundary £000	2011-12 Actual at 30/09/2011 £000	2011-12 Maximum to 30/09/2011 £000	2011-12 Forecast Maximum £000
Borrowing	46,000	32,026	32,051	32,051
Other long-term liabilities	4,000	518	518	518
<b>Total</b>	<b>50,000</b>	<b>32,544</b>	<b>32,569</b>	<b>32,569</b>

## h) Adoption of the CIPFA code of Practice for Treasury Management in the Public Services

The fully revised second edition of the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2009), as set out at Annex A of the Treasury Management Strategy 2010-11 to 2012-13, was adopted by Council on 25th February 2010.