

## **PRUDENTIAL INDICATORS**

### **Ratio of Financing Costs to Net Revenue Stream**

2010/11 Actual %	2011/12 Estimate %	2011/12 Actual %
-0.7	-0.6	-0.5

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**

	2010/11 Actual £,000	2011/12 Estimate £,000	2011/12 Actual £,000
i) Forecast of total budgetary requirement no changes to capital programme	7,639	7,340	7,375
ii) Forecast of total budgetary requirement after changes to capital programme	7,679	7,490	7,581
iii) Additional Council Tax Required in £.p.	0.67	2.49	3.42

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

### **Current Financial Plan**

2009/10 Actual £,000	2009/10 Estimate £,000	2009/10 Actual £,000
7,679	7,490	7,581

This is the actual capital expenditure taken from the Corporate Revenue and Capital Outturn 2011/12

### **Capital Financing Requirement as at 31st March 2012**

2010/11 Actual £,000	2011/12 Estimate £,000	2011/12 Actual £,000
0	0	0

This is the amount of permanent borrowing required. This is not needed as the Authority is debt free.

## **Treasury Management Indicators**

### **Authorised Limit for External Debt**

	2010/11 Actual £,000	2011/12 Estimate £,000	2011/12 Actual £,000
Borrowing	8,000	8,000	8,000
Other Long Term Liabilities	7,074	6,684	6,684
Total	15,074	14,684	14,684

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**

	2010/11 Actual £,000	2011/12 Estimate £,000	2011/12 Actual £,000
Borrowing	4,000	4,000	4,000
Other Long Term Liabilities	7,074	6,684	6,684
Total	11,074	10,684	10,684

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**

2010/11 Actual %	2011/12 Estimate %	2011/12 Actual %
92	100	99

This is the maximum amount of net 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**

2010/11 Actual %	2011/12 Estimate %	2011/12 Actual %
67	80	48

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

**Maturity Structure of New Fixed Rate Borrowing during 2011/12**

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

There was no new fixed term borrowing in 2011/12.

**Principal Invested for more than 364 Days**

2010/11 Actual £,000	2011/12 Estimate £,000	2011/12 Actual £,000
0	3,000	3,000

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

**Actual External Debt for 2010/11**

	2010/11 Actual	2011/12 Estimate	2011/12 Actual
Actual Borrowing	0	0	0
Other Long Term Liabilities	7,074	6,684	6,684
Total	7,074	6,684	6,684

Actual point in time of external borrowing