

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

2012/13 %	2013/14 %	2014/15 %	2015/16 %
-1.7	-0.9	-1.0	-1.1

This indicator shows the proportion of the net revenue stream (revenue budget) that is attributable to financing costs of capital expenditure. As estimated investment income is higher than interest costs, this results in a negative total.

Incremental Impact of Capital Investment Decisions on the Council Tax

	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
i) Forecast of total budgetary requirement no changes to capital programme	5,424	10,766	1,916	414
ii) Forecast of total budgetary requirement after changes to capital programme	5,424	10,836	1,970	450
iii) Additional Council Tax Required	0.00	1.27	0.97	0.64

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

Current Financial Plan

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2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
5,424	10,836	1,970	450

This is the estimate of capital expenditure taken from the Corporate Budget Strategy 2013/14 Onwards .

Capital Financing Requirement

2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
0	4,614	5,733	5,383

This indicator measures the underlying need to borrow for capital purposes. This shows £6m assumed borrowing for the capital programme from 2012/13 onwards.

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

	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
Borrowing	10,000	10,000	10,000	10,000
Other Long Term Liabilities	6,294	5,891	5,463	5,010
Total	16,294	15,891	15,463	15,010

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.

PRUDENTIAL INDICATORS

Operational Boundary

	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
Borrowing	6,000	6,000	6,000	6,000
Other Long Term Liabilities	6,294	5,891	5,463	5,010
Total	12,294	11,891	11,463	11,010

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 basis.

Upper Limit for Fixed Interest Rate Exposure

2012/13 %	2013/14 %	2014/15 %	2015/16 %
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

2012/13 %	2013/14 %	2014/15 %	2015/16 %
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 2012/13

	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 at fixed term rates during 2013/14. This will be monitored as the year progresses and a decision will then be made.

Principal Invested for more than 364 Days

2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
3,000	3,000	3,000	3,000

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