

PRUDENTIAL INDICATORS SUMMARY

Indicator	Basis	Period	Unit	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Affordability									
1	Estimate	Years 1, 2 and 3	%		1.5%	1.7%	1.9%	2.0%	
2	Actual	Year end	%	1.00%					
3	Estimate	Years 1, 2 and 3 (and longer as necessary)	£ per Band D Equivalent			£1.18	£1.17	£1.30	£0.24
Capital Expenditure									
4	Estimate	Years 1, 2 and 3 (and longer as necessary)	£000		4,216	6,186	4,145	3,401	823
5	Actual	Year end	£000	6,048					
6	Estimate	Years 1, 2 and 3	£000		14,311	17,248	17,065	17,665	
7	Actual	Year end	£000	13,692					
External Debt									
8	Estimate	Years 1, 2 and 3	£m			25.6	25.8	25.9	
9	Estimate	Years 1, 2 and 3	£m			20.1	20.2	20.2	
10	Actual	Year end	£000	6,592					
11	Actual	Year end	£000	591					
12	Actual	Year end	£000	7,183					
Prudence									
13	Estimate	Three year period	n/a				<input checked="" type="checkbox"/>		
Treasury Management									
14		All years	n/a	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
15	Estimate	Years 1, 2 and 3	£m		7.1	10.1	10.2	10.2	
16	Estimate	Years 1, 2 and 3	£m		15.4	15.5	15.6	15.7	
17	Estimate	All years	%			see below	see below	see below	
18	Estimate	All years	£m	nil	nil	nil	nil	nil	nil

Maturity structure of fixed rate		2010/11		2011/12		2012/13	
Period		upper limit	lower limit	upper limit	lower limit	upper limit	lower limit
17a	Under 12 months	0%	0%	0%	0%	0%	0%
17b	12 months and within 24 months	30%	0%	30%	0%	30%	0%
17c	24 months and within 5 years	30%	0%	30%	0%	30%	0%
17d	5 years and within 10 years	30%	0%	30%	0%	30%	0%
17e	10 years and above	100%	70%	100%	70%	100%	70%

Prudential indicators 2010/11

Estimates of ratio of financing costs to net revenue stream – INDICATOR 1

Defined as: (Estimate of financing costs / Estimate of net revenue stream) *100%

For 2009/10, 10/11 11/12 and 12/13

Financing costs are the sum of: interest on borrowing; interest on finance leases and other long-term liabilities; gains and losses on the early repayment of borrowing; interest and other investment income; any amounts required re the continuation of or successor to MRP; any amounts for depreciation/impairment charged to the amount to be met from government grants and local taxpayers

Financing costs are:	MRP	+ interest payable (PWLB)	+ interest payable (HCC)	-interest recievable	-interest recievable (HCC)	
	£000	£000	£000	£000	£000	£000
2009/10	595	351	60			1006
2010/11	614	444	60			1118
2011/12	728	536	60			1324
2012/13	712	579	60			1351

Net revenue stream is the amount to be met from government grants and local taxpayers

NRS figures are:	£000	
2009/10	66659	
2010/11	67550	est - based on Dec budget paper 1.5% CT option
2011/12	67911	ditto (appendix 5b)
2012/13	69269.22	2012/13 plus 2%

Indicators are therefore:

2009/10	1.5%
2010/11	1.7%
2011/12	1.9%
2012/13	2.0%

Actual ratio of net financing costs to net revenue stream – INDICATOR 2

Defined as: $(\text{Actual financing costs} / \text{Actual net revenue stream}) * 100\%$

For previous financial year.

Financing costs are the sum of: interest on borrowing; interest on finance leases and other long-term liabilities; gains and losses on the early repayment of borrowing, interest and other investment income; any amounts required re the continuation of or successor to MRP; any amounts for depreciation/impairment charged to the amount to be met from government grants and local taxpayers. Financing costs arising from transferred debt of other local authorities should be excluded.

MRP + External interest – investment income

Net revenue stream was the amount met from government grants and local taxpayers

NRS figure was:

Figure is therefore: 1.0%

figure from final accounts report

**Estimates of the incremental impact of capital investment decisions
on the Council Tax – INDICATOR 3**

Defined as: (Forecast total budget requirements for the authority based on no changes to the 2010/11 – 2012/13 capital programme) – (Forecast total budget requirements based on the 2010/11 – 2012/13 capital programme), converted to a council tax equivalent

For 3 years – and beyond if we wish to show full-year effects

2010/11	£	1.17
2011/12	£	1.30
2012/13	£	0.24
fye	£	0.24

Impact of capital investment decisions on the Council Tax

Calculated as revenue costs of capital programme (nil) + real costs of capital

Capital spend figures taken from capital programme - CP&Fund 36 - new years loan exp only.

PWLB rates as assumed in budget - 4.5%

Taxbase - estimated as at 5 Jan (Vehicles/IT assumed nil - assumed financed not from loan

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Full year £000
2010/11 starts					
vehicles/IT - payments	0	0	0		
0.00% 10yr interest	0.00	0.00	0.00	0.00	0.00
MRP		0	0	0	0
Buildings - payments	450	0	0		
4.50% 25 yr interest	10.13	20.25	20.25	20.25	20.25
MRP		18	18	18	18
2011/12 starts					
vehicles		0	0		
0.00% 10yr interest		0.00	0.00	0.00	0.00
MRP		0	0	0	0
Buildings - payments		450	0		
4.50% 25 yr interest	0.00	10.13	20.25	20.25	20.25
MRP		0	18	18	18
2012/13 starts					
vehicles			866	93	
0.00% 10yr interest			0.00	0.00	0.00
MRP				34.64	38.36
Buildings - payments			450	0	
4.50% 25 yr interest	0.00	0.00	10.13	20.25	20.25
MRP		0	0	18	18
plus proposed revenue contributic	730	691	730		
£000	740.13	739.38	816.63	149.39	153.11
taxbase	629,621.00	629,621.00	629,621.00	629,621.00	629,621.00
Council Tax Band D	1.18	1.17	1.30	0.24	0.24

Estimates of capital expenditure – INDICATOR 4

Defined as: all items capitalised under the SORP + items capitalised because of legislation that otherwise wouldn't be capitalised

Note – expenditure not payments

For 2009/10, 2010/11, 2011/12 and 2012/13

Estimates are:

2009/10	£	4,216
2010/11	£	6,186
2011/12	£	4,145
2012/13	£	3,401
2013/14	£	823

Actual capital expenditure – INDICATOR 5

Defined as indicator 4 – source – capital funding statement

For last financial year

Provider: Jane Lovett

Actual capital expenditure in 2008/09 was £000 3,024

Figure taken from final accounts report

Estimates of the capital financing requirement – INDICATOR 6

Figures from separate working paper

For 31 March 2010, 31 March 2011, 31 March 2012 and 31 March 2013

Capital financing requirements are:	£000
31 March 10	14,311
31 March 11	17,248
31 March 12	17,065
31 March 13	17,665

Actual capital financing requirement – INDICATOR 7

Figure from final accounts report

Actual capital financing requirement as at 31 March 2009 was:

£000	13,692
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External debt: authorised limits – INDICATOR 8

Defined as: limit on total external debt, gross of investments, separately identifying borrowing from other long-term liabilities

For 2010/11, 2011/12 and 2012/13

Debt is the sum of external borrowing and other long-term liabilities. Other long-term liabilities are balance sheet items classified as liabilities repayable for periods in excess of a year.

Authorised limits are:

2010/11	£	25,610	25.6
2011/12	£	25,820	25.8
2012/13	£	25,932	25.9

External debt: operational boundary – INDICATOR 9

Defined as: operational boundary for total debt, gross of investments, separately identifying borrowing and other long-term liabilities

For 2010/11, 2011/12 and 2012/13

Operational boundaries are:	2009/10	£	20,133	20.1
	2010/11	£	20,233	20.2
	2011/12	£	20,233	20.2

Authorised and operational borrowing limits

	2009/10	2010/11	2011/12	2012/13
	£000	£000	£000	£000
Estimated PWLB advances 1st April	6550	7,136	10,136	10,236
Allowance for overdrawn balances during year assume all borrowing covered by PWLB - late receipts calc generous so shd be ok overall (largest o/d to date in 09/10)	9406	9,406	9,406	9,406
Late receipts -				
RSG 1,121 Ave payment value 09/10				
NDR 1,107 Ave payment value 09/10				
Precepts <u>3,142</u> 09/10 month payment				
5,370 +2% 09/10, +4% 10/11 +6% 11/12	5,370	5,477	5,587	5,699
Add advances made during year (PWLB w/paper)	586	3,000	100	0
other long term liabilities (b.sheet 31.3.09)	591	591	591	591
Authorised limit	22,503	25,610	25,820	25,932
less late receipts = Operational limit	17,133	20,133	20,233	20,233
Indicator 16 - upper limit on exposure to variable rate exposures - Authorised limit less PWLB advances	15,367	15,474	15,584	15,696
£m	15.4	15.5	15.6	15.7

Actual borrowing, actual other long-term liabilities and actual external debt – INDICATORS 10, 11 and 12

Actual external debt is defined as: actual borrowing plus actual other long-term liabilities

As at 31 March 2009	£000	
Actual borrowing at 31 March 2009 was:	6,592	10
Actual other long-term liabilities 31 March 2009 was:	591	11
Therefore actual external debt 31 March 2009 was:	7,183	12

All figures from Final Accounts report

Net borrowing will not exceed CFR over medium term - Indicator 13

Agreed

Adoption of CIPFA Code of Practice for Treasury Management in the Public Services – INDICATOR 14

Adopted.

Upper limits on fixed interest rate exposures – INDICATOR 15

Two alternative definitions:

- Interest payable on borrowing at fixed rates less interest receivable on investments that are fixed rate investments
- Principal outstanding in respect of borrowing at fixed rates less principal sums outstanding in respect of investments that are fixed rate investments

Calculation = PWLB o/s + loan advances each year.

The upper limits on fixed rate exposures are:

	PWLB o/s	+	Loan advances	£000	£m
2009/10	6550		586	7136	7.1
2010/11	7,136		3,000	10136	10.1
2011/12	10,136		100	10236	10.2
2012/13	10,236		0	10236	10.2

Upper limits on variable interest rate exposures – INDICATOR 16

Two alternative definitions:

- Interest payable on borrowing at variable rates less interest receivable or investments that are variable rate investments
- Principal outstanding in respect of borrowing at variable rates less principal sums outstanding in respect of investments that are variable rate investments

Calculation based on indicator no 8 – total authorised limit less PWLB advances

The upper limits on variable rate exposures are:

	£000	£m
2009/10	15,367	15.4
2010/11	15,474	15.5
2011/12	15,584	15.6
2012/13	15,696	15.7

Maturity structure of borrowing – INDICATOR 17

Upper and lower limits of the maturity structure of borrowing

Defined as: amount of projected fixed-rate borrowing that matures in each defined period as a percentage of total borrowing that is fixed-rate

The periods are defined as:

- Under 12 months
- 12-24 months
- 24 months to 5 years
- 5-10 years
- 10 years and above

Maturity of borrowing is the earliest date on which a lender can require repayment

Calculation for upper 12 months to 10 years= $\frac{\text{New advances}}{\text{New PWLB advances} + \text{PWLB o/s 31.3.09}}$

Calculation for lower limit 10 years + = $\frac{\text{PWLB o/s 31.3.09}}{\text{PWLB o/s 31.3.09} + \text{new advances}}$

Summary of upper and lower limits

Period to maturity	2010/11		2011/12		2012/13	
	Upper limit (%)	Lower limit (%)	Upper limit (%)	Lower limit (%)	Upper limit (%)	Lower limit (%)
Under 12 months	0	0	0	0	0	0
12 – 24 months	30%	0	30%	0	30%	0
24 months to 5 years	30%	0	30%	0	30%	0
5 years to 10 years	30%	0	30%	0	30%	0
10 years and beyond	1	70%	1	70%	1	70%

File note - overwritten formulae - Anthony's suggested changes and then no time to change

e calculations.

Maturity structure of borrowing

Calculation for upper 12 months to 10 years - $\frac{\text{new advances}}{\text{new advances} + \text{PWLB o/s 1/4}}$

calculation for lower limit 10 years + $\frac{\text{PWLB o/s 1/4}}{\text{PWLB o/s 1/4} + \text{new advances}}$

Under 12 months = 0% for both upper and lower limits

Upper limit 10 years and beyond = 100%

	PWLB o/s 1 April	In year advances	PWLB o/s 31 March
2010/11	7,136	3,000	10136
2011/12	10136	100	10236
2012/13	10236	0	10236

2010/11

Upper limit - 12m - 10y 30%
Lower limit - 10 yrs + 70%

2011/12

Upper limit - 12m - 10y 1%
Lower limit - 10 yrs + 99%

2012/13

Upper limit - 12m - 10y 0%
Lower limit - 10 yrs + 100%