

APPENDIX C**PRUDENTIAL INDICATORS**Prudential indicators as at 31st July 2009:

	Indicator	2009-10 July 09 Budget £'000	2009-10 July. 09 Actual £'000
1	Capital Expenditure General Fund HRA Total	42,458 23,203 65,661	6,533 1,799 8,332
2	Capital Financing Sources Grants & Contributions Capital Receipts Capital Fund Revenue and Major Repair Allowance Supported Borrowing Self Financed Borrowing Total	10,269 8,246 1,342 4,842 20,681 20,281 65,661	1,204 248 0 1,799 5,081 0 8,332
3	Capital Financing Requirement HRA General Fund Total CFR	23,130 64,577 87,707	7,591 44,235 51,826
4	Actual Net Borrowing	47,679	-26,863
5	Authorised Limit for External Debt	86,000	69,481
6	Operational Boundary for External Debt	81,200	69,481
7	Incremental Impact on Band D Council Tax	-3.94	-12.85
8	TREASURY MANAGEMENT: (a) CIPFA Code Adopted (b) Interest Rate Exposure - Fixed Rate Borrowing - Variable Rate Borrowing (c) Investment Longer than 364 days (d) Maturity Structure of Borrowing: - Under 12 months - 1 to 2 years - 2 to 5 years - 5 to 10 years - 10 years+	Yes 75 - 100% 0 - 25% £25,000 0-25% 0-25% 0-50% 0-75% 25-90%	Yes 100% 0% £15,784 0% 1% 26% 10% 63%

PRUDENTIAL INDICATORS – A GUIDE

1. **Capital Financing Summary** – Although this indicator is not required by the Prudential Code, it is included within the monitoring so that the capital financing sources can be clearly identified.
2. **Capital Financing Requirement** – This is derived by aggregating specified items from the Council's balance sheet and represents the underlying level of borrowing required to finance historic capital expenditure. The actual **net borrowing** is lower than this because of the reserve part of capital receipts accumulated till 31st March 2004, the beginning of the Prudential system.
3. **Actual Net Borrowing** – represents actual long term borrowing needs (including forward funding for future years) less temporary investments. This is a key indicator and Section 3 of the Local Government Act 2003 requires the Council to ensure that net borrowing does not exceed the Capital Financing Requirement.
4. **Authorised Borrowing Limit and Operational Boundary for external debt** – the former represents a maximum limit for borrowing, which must not be breached and therefore additional headroom has been included to cater for unplanned cash flow situations. The latter is a better benchmark as it represents a more likely scenario.
5. **Incremental Impact on Band D Council Tax** – This represents the interest and Minimum Revenue Provision (Principal repayments) of all General Fund Borrowing gross of capital financing FSS. This indicator is calculated by taking the difference between debt charges based on the existing approved capital programme and the debt charges based on the actual spend to-date and dividing the result by the tax base for Council Tax. As the actual capital spend to the end of September 2008 has been funded mainly from capital grants and capital receipts, i.e. non-borrowing sources, indicator 7 reflects the negative impact on council tax compared to the July 2008 approved budget for the full year.

Treasury Management – these indicators form part of the treasury management strategy and policy statement approved each year before the beginning of the financial year. The main indicator is the adoption of CIPFA Code of Practice for Treasury Management, which the Council adopted before the current Prudential System was introduced.