

**APPENDIX 2**

**Prudential Indicators 2015/16 Outturn**

PRUDENTIAL INDICATOR	2015/16	2015/16
	<b>Estimate</b>	<b>Outturn</b>
	<b>£m</b>	<b>£m</b>
<b>Capital Expenditure</b>		
Non - HRA	119.613	95.651
HRA	83.878	47.045
TOTAL	203.491	142.696
<b>Ratio of financing costs to net revenue stream</b>	%	%
Non - HRA	10.34%	6.42%
HRA (applies only to housing authorities)	13.74%	9.18%
<b>Capital Financing Requirement as at 31 March</b>	<b>£m</b>	<b>£m</b>
Non - HRA	617.060	453.284
HRA (applies only to housing authorities)	167.955	140.590
Other (PFI and Finance Lease)		
TOTAL	785.015	593.874
<b>Incremental impact of capital investment decisions</b>	<b>£ p</b>	<b>£ p</b>
Increase in Council Tax (band D) per annum	30.20	21.04
Increase in average housing rent per week	2.40	-

PRUDENTIAL INDICATOR	2015/16	2015/16
	<b>Estimate</b>	<b>Outturn</b>
	<b>£m</b>	<b>£m</b>
<b>Authorised Limit for external debt - borrowing</b>	843.045	824.389
TOTAL	843.045	824.389
<b>Operational Boundary for external debt - borrowing</b>	764.393	608.874
TOTAL	764.393	745.737
<b>Upper limit for fixed interest rate exposure</b>	%	%
Net principal re fixed rate borrowing / investments	100	100
<b>Upper limit for variable rate exposure</b>	%	%
Net principal re variable rate borrowing / investments	5	5
<b>Upper limit for total principal sums invested for over 364 days</b>	<b>£m</b>	<b>£m</b>
Investments	20	10

Maturity structure of fixed rate borrowing during 2015/16	Lower limit	Upper limit	Outturn
	%	%	%
under 12 months	-	10.00%	3.23%
12 months and within 24 months	-	20.00%	2.42%
24 months and within 5 years	-	20.00%	6.62%
5 years and within 10 years	-	20.00%	8.51%
10 years and above	30.00%	90.00%	77.80%
Maturity Structure of variable interest rate borrowing 2015/16	Lower limit	Upper limit	Outturn
	%	%	%
Under 12 months	-	100%	-
12 months to 2 years	-	100%	-
2 years to 5 years	-	100%	-
5 years to 10 years	-	100%	1.42%
10 years and above	-	100%	-



## DEFINITIONS

### **Capital Financing Requirement:**

*This is the sum of all capital spending that the authority has incurred to date, which have been financed by borrowing (and not by revenue contributions, capital receipts, or grant funding.) Hence this is an underlying need to borrow, but it may differ from our actual borrowing.*

### **Authorised Limit**

*This represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited. It reflects the level of external debt which, while not necessarily desired, could be afforded in the short term, but is not sustainable in the longer term. This enables short term liquidity requirements to be accommodated. The Council has operated well below this limit for the year 2014/15.*

### **Operational Boundary**

*This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the Capital Financing Requirement, but may be lower or higher depending on the levels of actual debt. It can include borrowing for future years (i.e. borrowing in advance while rates are low), this is why it can be higher than the capital financing requirement.*

<b>PRUDENTIAL INDICATOR</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>Outturn</b>	<b>Original Estimate</b>
<b>Ratio of financing costs to net revenue stream</b>	%	%
Non - HRA	6.49%	10.34%
HRA (applies only to housing authorities)	11.86%	13.74%
<b>Incremental impact of capital investment decisions</b>	<b>£ p</b>	<b>£ p</b>
Increase in Council Tax (band D) per annum	30.43	30.20
Increase in average housing rent per week	1.93	2.40

<b>2015/16</b>
<b>Projected Outturn</b>
%
£ p