

## APPENDIX 2

### Prudential Indicators 2014/15 Outturn

PRUDENTIAL INDICATOR	2014/15 Estimate £'000	2014/15 Outturn £'000
<b>Capital Expenditure</b>		
Non - HRA	130,811	102,104
HRA	89,783	46,089
TOTAL	220,594	148,193
<b>Ratio of financing costs to net revenue stream</b>	%	%
Non - HRA	7.98%	6.49%
HRA (applies only to housing authorities)	12.69%	11.86%
<b>Capital Financing Requirement as at 31 March</b>	£'000	£'000
Non - HRA	451,713	425,408
HRA (applies only to housing authorities)	167,809	142,718
TOTAL	619,522	568,126
<b>Incremental impact of capital investment decisions</b>	£ p	£ p
Increase in Council Tax (band D) per annum	34.26	30.43
Increase in average housing rent per week	1.93	1.93

PRUDENTIAL INDICATOR	2014/15 Estimate	2014/15 Outturn
<b>Authorised Limit for external debt - borrowing</b>	£'000	£'000
TOTAL	687,040	484,128*
<b>Operational Boundary for external debt - borrowing</b>	£'000	£'000
TOTAL	634,522	484,128*
<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> Investments	£'000	£'000
	20,000	0

Maturity structure of fixed rate borrowing during 2014/15	Lower limit %	Upper limit %	Outturn %
under 12 months	0.00%	10.00%	2.63%
12 months and within 24 months	0.00%	20.00%	3.14%
24 months and within 5 years	0.00%	20.00%	6.38%
5 years and within 10 years	0.00%	20.00%	9.32%
10 years and above	30.00%	90.00%	77.14%
<b>Maturity Structure of variable interest rate borrowing 2014/15</b>	Lower	Upper	Outturn %
Under 12 months	0%	100%	0.00%
12 months to 2 years	0%	100%	0.00%
2 years to 5 years	0%	100%	0.00%
5 years to 10 years	0%	100%	1.39%
10 years and above	0%	100%	0.00%

\*Note, the £484,128 is the outturn borrowing figure at the year-end, all borrowing was within the authorised limits during the year

## 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.*