

APPENDIX 2

Prudential Indicators 2015/16 Outturn

PRUDENTIAL INDICATOR	2014/15	2015/16	2015/16
	Outturn £m	Original Estimate £m	Projected Outturn £m
Capital Expenditure			
Non - HRA	102.104	119.613	108.701
HRA	46.089	83.878	62.615
TOTAL	148.193	203.491	171.316
Ratio of financing costs to net revenue stream	%	%	%
Non - HRA	6.49%	10.34%	6.42%
HRA (applies only to housing authorities)	11.86%	13.74%	9.18%
Capital Financing Requirement as at 31 March	£m	£m	£m
Non - HRA	425.408	617.060	617.060
HRA (applies only to housing authorities)	142.718	167.955	167.955
Other (PFI and Finance Lease)			
TOTAL	568.126	785.015	785.015
Incremental impact of capital investment decisions	£ p	£ p	£ p
Increase in Council Tax (band D) per annum	38.49	30.20	29.95
Increase in average housing rent per week	-	2.40	-

PRUDENTIAL INDICATOR	2014/15	2015/16	2015/16
	Outturn £m	Original Estimate £m	Projected Outturn £m
Authorised Limit for external debt - borrowing	£m	£m	£m
Authorised Limit for external debt - borrowing	754.939	854.302	854.302
TOTAL	754.939	854.302	854.302
Operational Boundary for external debt - borrowing	£m	£m	£m
Operational Boundary for external debt - borrowing	692.757	820.196	820.196
TOTAL	692.757	820.196	820.196
Upper limit for fixed interest rate exposure	%	%	%
Net principal re fixed rate borrowing / investments	100	100	100
Upper limit for variable rate exposure	%	%	%
Net principal re variable rate borrowing / investments	5	5	5
Upper limit for total principal sums invested for over 364 days	£m	£m	£m
Investments	-	20	10

Maturity structure of fixed rate borrowing during 2015/16	Lower limit %	Upper limit %	Outturn %
under 12 months	-	10.00%	1.66%
12 months and within 24 months	-	20.00%	3.99%
24 months and within 5 years	-	20.00%	5.55%
5 years and within 10 years	-	20.00%	9.58%
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.