

PRUDENTIAL INDICATORS		2007/08 Estimate	2007/08 Forecast	2008/09 Estimate	2009/10 Estimate	2010/11 Estimate
1) Capital Expenditure To allow the authority to plan for capital financing as a result of the capital programme. To enable the monitoring of capital budgets to ensure they remain within budget	Non - HRA	£'000 36,456	£'000 45,072	£'000 66,545	£'000 29,584	£'000 10,340
	HRA	7,293	7,453	7,044	7,457	7,873
	TOTAL	43,749	52,525	73,589	37,041	18,213
2) Ratio of financing costs to net revenue stream This indicator estimates the cost of borrowing in relation to the net cost of Council services to be met from government grant and council tax payers. In the case of the HRA the net revenue stream is the income from Rents	Non - HRA	6.00%	4.28%	5.95%	7.12%	8.12%
	HRA	3.31%	3.28%	3.53%	3.60%	2.63%
3) Incremental impact of capital investment decisions - Council Tax Shows the actual impact of capital investment decisions on council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council tax is used in financing the capital programme and any related revenue implications that flow from it.		£ p	£	£	£	£
	Increase in Council Tax (band D) per annum	4.34	4.34	6.52	1.81	0.31
4) Incremental impact of capital investment decisions - Hsg Rents Shows the actual impact of capital investment decisions on HRA rent. For CYC, the HRA 2006/07 planned capital spend is based on the government's approved borrowing limit so there is no impact on HRA rents.		£ p	£	£	£	£
	Increase in average housing rent per week	0.00	0.00	0.00	0.00	0.00
5) Capital Financing Requirement as at 31 March Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The	Non - HRA	96,268	86,181	98,302	116,039	126,039
	HRA	15,669	16,669	17,669	18,669	19,669
	TOTAL	111,937	102,850	115,971	134,708	145,708
6a) Authorised Limit for external debt - The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could	borrowing	179,700	179,700	194,000	214,000	234,000
	other long term liabilities	0	0	0	0	0
	TOTAL	179,700	179,700	194,000	214,000	234,000
6b) Operational Boundary for external debt - The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a	borrowing	158,200	158,200	180,800	192,600	210,600
	other long term liabilities	0	0	0	0	0
	TOTAL	158,200	158,200	180,800	192,600	210,600
7) Adoption of the CIPFA Code of Practice for Treasury Management in Public Services Ensuring Treasury Management Practices remain in line with the SORP.	Treasury Management Policy Statement 12 Treasury Management Practices Policy Placed Before Council Annual Review Undertaken		24-Jul-07 24-Jul-07 21-Feb-07 24-Jul-07			
8a) Upper limit for fixed interest rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 3 years. The Council should not be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts	Net interest re fixed rate borrowing / investments	150%	150%	150%	150%	150%
	Actual Net interest re fixed rate borrowing / investments	n/a	140%	113%	112%	117%
8b) Upper limit for variable rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 3 years. The Council should not be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts	Net interest re variable rate borrowing / investments	20%	20%	20%	20%	20%
	Actual Net interest re variable rate borrowing / investments	n/a	-40%	n/a	n/a	n/a
9) Upper limit for total principal sums invested for over 364 days To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long term loans mature in different periods thus spreading the risk.	Current Investments over 364 days	£10,000 £0	£10,000 £0	£10,000 n/a	£10,000 n/a	£10,000 n/a
10) Maturity structure of new fixed rate borrowing during 2006/07 The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year. The limits are set as a percentage of the average balances of the investment portfolio.		Actual £'000	Lower Limit	Upper Limit	Actual £'000	Actual %
	under 12 months	0	0%	10%	4,000	4%
	12 months and within 24 months	4,000	0%	10%	5,000	5%
	24 months and within 5 years	13,000	0%	25%	11,000	11%
	5 years and within 10 years	5,000	0%	25%	3,500	3%
	10 years and above	81,365	20%	90%	79,865	77%

Glossary Of Abbreviations

HRA Housing Revenue Account

CYC City of York Council

CFR Capital Financing Requirement

SOF Statement of Recommended Practice - for Local Authority Accounting