

Prudential Indicators

PRUDENTIAL INDICATORS		2015/16	2016/17	2017/18	2018/19
PRUDENTIAL INDICATOR TARGETS					
External Debt:					
1	<u>Authorised limit for external debt -</u> The authority will set for the forthcoming financial year and the following three years an authorised limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities <u>Authorised limit for external debt -</u> borrowing other long term liabilities Total	£m 569.078 14.938 584.016	£m 584.851 14.198 599.049	£m 611.799 13.722 625.521	£m 637.747 13.107 650.854
2	<u>Operational boundary -</u> The authority will set for the forthcoming financial year and the following three years an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities <u>Operational boundary -</u> borrowing other long term liabilities Total	£m 545.078 12.938 558.016	£m 560.851 12.198 573.049	£m 587.799 11.722 599.521	£m 613.747 11.107 624.854
Treasury Management Indicators:					
Interest Rate Exposures					
The Authority will set for the forthcoming financial year and the following three years upper limits to its exposures to the effects of changes in interest rates. These prudential indicators relate to both fixed and variable interest rates.					
3	<u>Upper limit for fixed interest rate exposure</u> Net principal re fixed rate borrowing less investments	£m 640.563	£m 640.563	£m 640.563	£m 640.563
4	<u>Upper limit for variable rate exposure</u> Net principal re variable rate borrowing less investments	192.169	192.169	192.169	192.169
Gross Debt					
The Authority will ensure that gross debt does not, except in the short term, exceed the total of Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional CFR for the current and next two financial years. This is to ensure that over the medium term debt will only be for a capital purpose.					
5	<u>Gross Debt and the Capital Financing Requirement</u>	✓	✓	✓	✓
Borrowing in Advance of Need					
The Authority will set for the forthcoming financial year and the following three years upper limits to its Borrowing in Advance of need.					
6	<u>Borrowing in advance of need limited to percentage of the expected increase in CFR over 3 year budget period. (Voluntary Indicator).</u>	25%	25%	25%	25%
Total principal sums invested for periods longer than 364 days					
Where a local authority plans to invest, for periods longer than 364 days the local authority will set an upper limit for each forward year period for the maturing of such investments					
7	<u>Upper limit for total principal sums invested for over 364 days (per maturity date)</u>	£m 40.000	£m 40.000	£m 40.000	£m 40.000

PRUDENTIAL INDICATORS		2015/16	2016/17	2017/18	2018/19																	
PRUDENTIAL INDICATORS TO NOTE																						
8	Repayment of minimum revenue provision and interest will not exceed 10% of Net Revenue Stream including Dedicated Schools Grant (Voluntary Indicator)	5.96%	6.80%	7.21%	7.76%																	
9	<p>Estimates of capital expenditure - The Authority shall make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the two following years.</p> <p>Reported in the Revenue Budget and Capital Programme to Full Council</p>	✓	✓	✓	✓																	
10	<p>Ratio of Financing Costs to Net Revenue Stream The Authority will estimate for the forthcoming financial year and the following three years the ratio of financing costs to Net Revenue Stream, including Dedicated Schools Grant.</p>	5.89%	6.70%	7.00%	7.47%																	
11	<p>Capital Financing Requirement The Authority shall make reasonable estimates of the total of capital financing requirement at the end of the forthcoming financial year and the following three years.</p>	£m	£m	£m	£m																	
	Estimate of the Capital Financing Requirement for the Authority	596.583	599.970	631.704	640.563																	
	Estimate of Gross External Borrowing	500.424	505.072	537.246	546.676																	
12	<p>Estimate of the incremental impact of Capital Investment decisions on the Council Tax The Authority will calculate the addition or reduction to Council Tax that results from any proposed changes to the capital programme</p> <p>Band D Council Tax</p>	-£2.07	£22.45	£11.63	£15.66																	
13	<p>Treasury Management: The Authority has adopted the CIPFA's Code of Practice for Treasury Management in Public Services</p> <p>Treasury Management Indicator:</p>	✓	✓	✓	✓																	
14	<p><u>Maturity structure of new fixed rate borrowing</u> The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of borrowing</p>	<table border="1"> <thead> <tr> <th>upper limit</th> <th>lower limit</th> </tr> </thead> <tbody> <tr> <td>under 12 months</td> <td>25%</td> <td>0%</td> </tr> <tr> <td>12 months and within 24 months</td> <td>25%</td> <td>0%</td> </tr> <tr> <td>24 months and within 5 years</td> <td>50%</td> <td>0%</td> </tr> <tr> <td>5 years and within 10 years</td> <td>75%</td> <td>0%</td> </tr> <tr> <td>10 years and above</td> <td>100%</td> <td>0%</td> </tr> </tbody> </table>		upper limit	lower limit	under 12 months	25%	0%	12 months and within 24 months	25%	0%	24 months and within 5 years	50%	0%	5 years and within 10 years	75%	0%	10 years and above	100%	0%		
upper limit	lower limit																					
under 12 months	25%	0%																				
12 months and within 24 months	25%	0%																				
24 months and within 5 years	50%	0%																				
5 years and within 10 years	75%	0%																				
10 years and above	100%	0%																				