

Capital Expenditure:

The 2007/08 actual capital expenditure and estimates of capital expenditure for the current and future years that are recommended for approval are:

	2007/08 Actual £000's	2008/09 Probable £000's	2009/10 Estimate £000's	2010/11 Estimate £000's	2011/12 Estimate £000's
General Fund	10,740	12,811	11,329	7,040	4,236
HRA	6,090	12,229	7,906	6,860	6,960
Total	16,830	25,040	19,235	13,900	11,196

Ratio of financing costs to net revenue stream:

	2007/08 Actual %	2008/09 Probable %	2009/10 Estimate %	2010/11 Estimate %	2011/12 Estimate %
Financing costs re					
General Fund Capital Exp	-6.29%	-2.71%	0.53%	0.51%	0.51%
HRA Capital Exp	-6.11%	-5.61%	-2.37%	-2.24%	-2.12%

General Fund: Net revenue stream is the RSG, NNDR grant and Council Tax raised for the year. As the Council is debt free and earns interest which is retained in the General Fund the indicator is negative for 2007/08 and 2008/09. 2009/10 onwards the General Fund pays more interest to the HRA than it is predicted to earn from investments and the indicator becomes positive.

HRA: The net revenue stream is the income from received rents and service charges. The ratio of financing costs to net revenue stream is negative because the HRA investment interest is greater than the supported borrowing of £560,000.

Net Borrowing requirement

As the Council is debt free, this indicator is nil and not required

Capital financing requirement

	2007/08 Actual £000's	2008/09 Probable £000's	2009/10 Estimate £000's	2010/11 Estimate £000's	2011/12 Estimate £000's
Capital financing requirement	-5982	-5841	-5841	-5841	-5841

The Capital Financing Requirement reflects the amount of money the Council would need to borrow to fund its capital programme. This indicator is negative as the Council is debt free. When the indicator becomes positive the Council would need to borrow to fund the capital programme.

Incremental impact on capital investment decisions

	2008/09 £	2009/10 £	2010/11 £	2011/12 £
Increase in Council Tax (band D) *	-7.61	-1.29	0.38	0.01
Increase in average housing rent per week^	-0.01	0.00	0.00	0.00

General Fund -This is an indicator of the affordability of the capital programme and its effect on the Council Tax. This indicator compares the original years programme (June Executive) to the revised programme (February Executive), an increase in the programme would mean less resources available to invest resulting in less investment interest earned by the General Fund. A decrease in the programme would mean more resources available to invest, giving more interest earned. This is expressed as a

HRA -This is an indicator of the affordability of the capital programme and its effect on the Council Tax. This indicator compares the original years programme (June Executive) to the revised programme (February Executive), an increase in the programme would mean less resources available to invest resulting in less investment interest earned by the HRA. A decrease in the programme would mean more resources available to invest, giving more interest earned. This is expressed as a saving/increased cost on the average rent.

Treasury Management Prudential Indicators*

Authorised Limit for external debt

	2007/08 Actual £000's	2008/09 Probable £000's	2009/10 Estimate £000's	2010/11 Estimate £000's	2011/12 Estimate £000's
Borrowing	0	0	15,000	15,000	15,000
Other long term liabilities	0	0	0	0	0
Total	0	0	15000	15000	15000

Operational Boundary for external debt

	2007/08 Actual £000's	2008/09 Probable £000's	2009/10 Estimate £000's	2010/11 Estimate £000's	2011/12 Estimate £000's
Borrowing	0	0	10,000	10,000	10,000
Other long term liabilities	0	0	0	0	0
Total	0	0	10000	10000	10000

The operational boundary differs from the authorised limit in that it is the level up to which the Council may have to borrow. The Council may need to borrow short term for cash flow purposes.

Upper limit for fixed interest rate exposure

This is defined as net principal re fixed rate borrowing less fixed rate investments

	2007/08 Actual £000's	2008/09 Probable £000's	2009/10 Estimate £000's	2010/11 Estimate £000's	2011/12 Estimate £000's
Fixed rate borrowing - fixed rate investments	-45,290	-42,000	-40,000	-40,000	-40,000

Upper limit for variable interest rate exposure

This is defined as net principal re variable rate borrowing less variable rate investments

	2007/08 Actual £000's	2008/09 Probable £000's	2009/10 Estimate £000's	2010/11 Estimate £000's	2011/12 Estimate £000's
Variable rate borrowing - variable rate investments	-11,390	-16,000	-20,000	-20,000	-20,000

As the Council is debt free, these indicators are negative.

Upper limit for total principal sums invested for over 364 days

	2007/08 Actual £000's	2008/09 Probable £000's	2009/10 Estimate £000's	2010/11 Estimate £000's	2011/12 Estimate £000's
Sums invested for over 364 days	18,416	17,300	17,000	17,000	17,000