

## PRUDENTIAL INDICATORS - LANCASTER CITY COUNCIL

## Quarter 1 Update on Treasury Management activities, to 30 June 2009

		2009/10 £'000	2010/11 £'000	2011/12 £'000	
<b>AFFORDABILITY</b>					
<b>PI 1:</b> Estimates of ratio of financing costs to net revenue stream	Non - HRA	12.4%	11.5%	10.2%	
	HRA	8.5%	8.1%	7.8%	
	Overall	11.1%	10.4%	9.4%	
<b>PI 2:</b> Actual ratio of financing cost to net revenue stream		Reported after each financial year end			
<b>PI 3:</b> Estimates of impact of Capital Investment decisions on the Council Tax This includes the impact of all elements of funding, including any increase in the need to borrow, required to finance new schemes added to the Capital Programme		£11.62	£8.69	£5.74	
		6.52%	4.88%	3.22%	
<b>PI 3A:</b> Illustrative Impact of Additional Borrowing £1 million		<b>Repayment Period</b>			
		<b>5 Years</b>	<b>10 Years</b>	<b>25 Years</b>	
	Increase in Council Tax (£)	£4.93	£2.73	£1.54	
	Increase in Council Tax (%)	2.66%	1.47%	0.83%	
<b>PI 4:</b> Estimates of impact of Capital Investment on Housing Rents		Nil	Nil	Nil	
<b>PRUDENCE</b>					
<b>PI 6:</b> Estimates of capital expenditure	Non - HRA	14,185	10,960	8,697	
	HRA	3,547	3,546	3,477	
	Total	17,732	14,506	12,174	
<b>PI 7:</b> Actual capital expenditure		Reported after each financial year end			
<b>PI 8:</b> Estimates of Capital Financing Requirement	Non - HRA	27,702	26,245	25,044	
	HRA	15,303	15,303	15,303	
	Total	43,005	41,548	40,347	
<b>PI 9:</b> Actual Capital Financing Requirement		Reported after each financial year end			
<b>PI 10:</b> Authorised Limit	Authorised Limit for Borrowing	57,710	57,710	57,710	
	Authorised Limit for Other Long Term Liabilities	290	290	290	
	Authorised Limit for External Debt	58,000	58,000	58,000	
<b>PI 11:</b> External Debt: Operational Boundary		56,000	56,000	56,000	
<b>PI 12:</b> Actual external debt		Reported after each financial year end			
<b>TREASURY MANAGEMENT</b>					
<b>PI 13:</b> Treasury Management: adoption of CIPFA code of Practice		The Council adopted the CIPFA code of Practice for Treasury Management at its meeting on the 13th March 2002.			
<b>PI 14:</b> Fixed Interest Rate Exposure The Authority will limit its exposure to fixed interest rate costs to the amounts payable on the following amount of outstanding debt.		£58m	£58m	£58m	
<b>PI 15:</b> Variable Rate Interest Rate Exposure The Authority will limit its exposure to variable interest rate costs to the amounts payable on the following amount of outstanding debt.		£15m	£15m	£15m	
<b>PI 16:</b> Maturity Structure of Borrowing	Upper and Lower Limits	Under 12 months	0% to 35%	0% to 35%	0% to 35%
		12 months and within 24 months	0% to 20%	0% to 20%	0% to 20%
		24 months and within 5 years	0% to 20%	0% to 20%	0% to 20%
		5 years and within 10 years	0% to 20%	0% to 20%	0% to 20%
		10 years and above	60% to 100%	60% to 100%	60% to 100%
	Maturity Profile of Current Outstanding Debt 30/6/09	Under 12 months	0%		
		12 months and within 24 months	0%		
		24 months and within 5 years	0%		
		5 years and within 10 years	0%		
		10 years and above	100%		
<b>PI 17:</b> Investments for periods longer than 364 days The Authority will not invest for periods of longer than 364 days.		Nil	Nil	Nil	

## INVESTMENT INTEREST EARNED TO 30 June 2009

Name	No	Start	End	Rate %	Days up to 30/6/09	Principal £	Interest £
<b>Fixed term investments</b>							
<b>Deposited 2007/08</b>							
Landsbanki Islands	004	31-Mar-08	08-Oct-08	6.25	0	1,000,000	0
Glitnir	FI02/023	31-Mar-08	08-Oct-08	5.76	0	3,000,000	0
<b>Deposited 2008/09</b>							
Kaupthing, Singer & Friedlander	06/07-129	16-May-08	08-Oct-08	6.00	0	2,000,000	0
Anglo Irish Bank Corporation	004	17-Jun-08	17-Jun-09	6.56	78	3,000,000	41,517
Irish Permanent Plc	005	02-Jul-08	02-Apr-09	6.31	2	3,000,000	519
Sub total							42,035
<b>Other accounts</b>							
Call: Abbey National							3,904
Call: Yorkshire bank							3,823
DMADF							690
Sub-total							8,417
<b>TOTAL</b>							<b>50,452</b>

For investments highlighted, the counterparties have since been downgraded and removed from the counterparty list. Those highlighted in purple are Icelandic banks, those in yellow are Irish banks. The deposits from Irish banks have been received during the quarter.

No interest is being assumed from Icelandic banks as yet, but this will be updated (as set out in the report).

**Other account information**

The maximum balance on the call accounts during the quarter was 6M (vs total approved limit of 6M)

The minimum balance during the quarter was 0.

The opening balance was £1.3M

The closing balance was £6M

The opening balance on the DMADF account £0M

The maximum balance which was also the closing balance for the quarter was £6M