

# APPENDIX C

## PRUDENTIAL INDICATORS - LANCASTER CITY COUNCIL

For approval by Council 18 July 2012

AFFORDABILITY		2010/11	2011/12	
		£'000	£'000	
<b>PI 1:</b> Estimates of ratio of financing costs to net revenue stream	Non - HRA	12.1%	13.70%	
	HRA	8.1%	7.20%	
	Overall	10.8%	11.30%	
<b>PI 2:</b> Actual ratio of financing cost to net revenue stream	Non - HRA	16.0%	17.8%	
	HRA	7.4%	6.7%	
	Overall	13.2%	13.7%	
<b>PI 3:</b> Estimates of the incremental impact of new 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	2.29%	1.12%	1.17%	
	£4.41	£2.19	£2.35	
<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 (£)	£4.99	£2.80	£1.65	
Increase in Council Tax (%)	2.59%	1.46%	86.00%	
<b>PI 4:</b> Estimates of the incremental impact of Capital Investment on Housing Rents	Nil	Nil	Nil	
<b>PRUDENCE</b>				
<b>PI 5:</b> Estimates of capital expenditure	Non - HRA	15,572	5,765	
	HRA	3,685	3,658	
	HRA Self Funding buy out	0	35,000	
	Total	19,257	44,423	
<b>PI 6:</b> Actual capital expenditure	Non - HRA	6,511	5,190	
	HRA	4,185	3,575	
	HRA Self Funding buy out	0	31,241	
	Total	10,696	40,006	
<b>PI 7:</b> Estimates of Capital Financing Requirement	Non - HRA	32,090	28,655	
	HRA	15,303	15,303	
	HRA Self Funding buy out	0	35,000	
	Total	47,393	78,958	
<b>PI 8:</b> Actual Capital Financing Requirement	Non - HRA	35,516	36,644	
	HRA	15,303	15,303	
	HRA Self Funding buy out	0	31,241	
	Total	50,819	83,188	
<b>EXTERNAL DEBT</b>				
<b>PI 9:</b> Authorised Limit	Authorised Limit for Borrowing	52,820	51,740	
	HRA SF buy out	0	35,000	
	Authorised Limit for Other Long Term Liabilities	280	260	
	Authorised Limit for External Debt	53,100	87,000	
<b>PI 10:</b> External Debt: Operational Boundary		48,100	82,000	
<b>PI 11:</b> Actual external debt	PWLB loans	39,215	69,415	
	PWLB loans <1yr	0	1,041	
	Long term Finance lease liability	3,433	416	
	Short term finance lease liability	504	5,489	
	Other long term liability	223	223	
<b>TREASURY MANAGEMENT</b>				
<b>PI 12:</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.		100%	100%	
	Actual	100%	100%	
<b>PI 13:</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.		30%	30%	
	Actual	0%	0%	
<b>PI 14:</b> Maturity Structure of Borrowing (excluding finance lease liabilities)	Upper and Lower Limits			
		Under 12 months	0% to 35%	0% to 35%
		12 months and within 24 months	0% to 20%	0% to 20%
		24 months and within 5 years	0% to 20%	0% to 20%
		5 years and within 10 years	0% to 20%	0% to 20%
		10 years and within 15 years	0% to 50%	0% to 50%
		15 years and within 25 years	0% to 100%	0% to 100%
		25 years and within 50 years	50% to 100%	50% to 100%
	Maturity Profile of Current Outstanding Debt	Under 12 months		2%
		12 months and within 24 months		2%
		24 months and within 5 years		4%
		5 years and within 10 years		7%
		10 years and within 15 years		7%
		15 years and within 25 years		15%
	25 years and within 50 years	100%	63%	
<b>PI 15:</b> Investments for periods longer than 364 days The Authority will not invest for periods of longer than 364 days.		Nil	Nil	
<b>PI 16:</b> Adoption of CIPFA Code of Practice	The Council adopted the CIPFA code of practice for Treasury Management at its meeting of 13 March 2002.			