

**Prudential Indicators & Treasury Limits -
Annual Treasury Report 2004/05**

Section 1 - Indicators Based on Expected Outcomes

Affordability:

	2004/05 Original Indicator	2004/05 Revised Indicator	2004/05 Outturn
1) Ratio of Financing Costs to Net Revenue Stream			
Non HRA (Effect on Council Tax)	1.471%	1.57%	3.41%
HRA (Effect on Rent)	-2.180%	1.70%	2.18%
2) Incremental Impact of 2004/05 Capital Investment Decisions			
Non HRA (Effect on Council Tax)	£ 0.10	£ 3.48	£ 2.46
HRA (Effect on Rent)	£ 0.21	£ -	£ -
3) Capital Expenditure			
Non HRA	£ 3,269,000	£ 5,038,300	£ 2,996,914
HRA	£ 3,463,000	£ 3,901,700	£ 2,841,301
Total	£ 6,732,000	£ 8,940,000	£ 5,838,215
4) Capital Financing Requirement			
Non HRA	£ 11,728,000	£ 10,858,000	£ 10,299,000
HRA	-£ 4,491,000	-£ 5,510,000	-£ 5,509,000
Total	£ 7,237,000	£ 5,348,000	£ 4,790,000

Section 2 - Indicators Based on Limits

Affordability:

1) Authorised Limit for External Debt:			
Borrowing	£ 6,500,000	£ 6,500,000	Nil
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	Nil
Total Authorised Limit	£ 8,000,000	£ 8,000,000	Nil
2) Operational Boundary for External Debt			
Borrowing	£ 5,500,000	£ 5,500,000	Nil
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	Nil
Total Operational Boundary	£ 7,000,000	£ 7,000,000	Nil

Prudence:

1) Net Borrowing Requirement & CFR	£ 7,348,000	£ 7,348,000	-£ 2,000,000
2) Upper limit for fixed interest rate exposure	100.00%	200.00%	100.00%
Additional Local Indicator - Investment Only	n/a	100.00%	100.00%
Additional Local Indicator - Borrowing Only	n/a	100.00%	0.00%
3) Upper limit for variable interest rate exposure	25.00%	-200.00%	0.00%
Additional Local Indicator - Investment Only	n/a	100.00%	0.00%
Additional Local Indicator - Borrowing Only	n/a	50.00%	0.00%
4) Upper & Lower limits for the maturity structure of Borrowing 2004/05			
Under 1 Year	U 20%, L 0%	U 20%, L 0%	Nil
1 Year to 2 Years	U 20%, L 0%	U 20%, L 0%	Nil
2 Years to 5 Years	U 20%, L 0%	U 20%, L 0%	Nil
5 Years to 10 Years	U 20%, L 0%	U 20%, L 0%	Nil
Over 10 Years	U 100%, L 0%	U 100%, L 0%	Nil
5) Upper limits for principal sums invested for periods over 364 days	£ 2,000,000	£ 2,000,000	Nil