

**General Fund Prudential Indicator Calculations**

The purpose of the prudential indicators is to demonstrate that the Council's financial plans meet the statutory requirement to be affordable, prudent and sustainable.

**General Fund Capital Expenditure**

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

<b>Strategic Theme</b>	<b>2008/09 Actual £'000</b>	<b>2009/10 Estimate £'000</b>	<b>2010/11 Estimate £'000</b>	<b>2011/12 Estimate £'000</b>	<b>2012/13 Estimate £'000</b>
Prosperous City	194	1,062	1,462	781	0
Accessible City	709	374	503	0	0
Electronic City	698	739	337	112	112
Cultural and Fun Place To Be	4,912	9,592	3,869	603	50
Strong Communities	0	15	0	0	0
Healthy and Active City	505	474	270	920	270
Environment Cared For	1,095	453	738	380	380
Safe City	80	81	32	16	48
A Learning City	0	53	0	0	0
Housing in the City	1,831	3,878	3,006	2,653	630
Achieving Excellence in Public Services	1,364	1,127	1,170	370	370
<b>Total General Fund Capital Expenditure</b>	<b>11,388</b>	<b>17,848</b>	<b>11,387</b>	<b>5,835</b>	<b>1,860</b>

**General Fund Financing costs**

The figures for the actual financing costs will be taken from the Council's financial statements using the definition of financing costs specified in the Prudential Code. Estimates for the current and future years should be calculated in a manner consistent with this definition.

<b>Description</b>	<b>2008/09 Actual £'000</b>	<b>2009/10 Estimate £'000</b>	<b>2010/11 Estimate £'000</b>	<b>2011/12 Estimate £'000</b>	<b>2012/13 Estimate £'000</b>
Interest payable with respect to short term borrowing	70	50	30	20	20
Interest payable under 'irredeemable' long term liabilities	0	0	902	1,108	1,185
Interest and investment income *	(5,141)	(215)	(250)	(200)	(150)
Replacement for Minimum Revenue Provision (England and Wales)	0	87	336	767	916
Voluntary contribution to financing costs in respect of short-life assets	0	0	0	0	0
<b>Total General Fund Financing Costs</b>	<b>(5,071)</b>	<b>(78)</b>	<b>1,018</b>	<b>1,695</b>	<b>1,971</b>

\* 2008-09 actual includes significant interest from Icelandic banks which was not received and removed from the accounts.

**General Fund Estimates of the ratio of financing costs to net revenue stream**

The net revenue stream is the estimate of the amounts to be met from government grants and local taxpayers. An important theme of the Code is transparency. For this reason the authority's calculation of the net revenue stream should be consistent with the figure that can be identified in the Income and Expenditure Account for 'Net Operating Expenditure'.

When the Council is 'debt-free' the ratio of financing costs to net revenue stream will be negative. This reflects the fact that for 'debt-free' authorities, the negative financing costs are making a contribution to the Income and Expenditure Account.

Description	2008/09 Actual £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
Financing costs	(5,071)	(78)	1,018	1,695	1,971
Net revenue stream (General Fund Expenditure - Budget Book/Financial Strategy)	16,215	16,527	16,820	17,049	17,298
<b>Ratio of financing costs to net revenue stream %</b>	<b>(31.3)</b>	<b>(0.5)</b>	<b>6.1</b>	<b>9.9</b>	<b>11.4</b>
Negative for a debt free authority	%	%	%	%	%

**Estimates of the incremental impact of capital investment decisions on the Council Tax**

A fundamental constraint on capital investment by a local authority is its scope to afford its financial implications. For local authorities it is ultimately determined by a judgement about acceptable council tax levels.

This prudential indicator shows the potential impact of the capital investment decisions on the Council Tax.

Description	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
Total budgetary requirements for the authority with existing capital programme	16,675	17,039	17,288
Total budgetary requirements for the authority with proposed capital programme	16,820	17,049	17,298
Difference	145	10	10
<b>Incremental Impact on Band D Council Tax</b>	<b>£3.83</b>	<b>£0.26</b>	<b>£0.26</b>

**General Fund Capital Financing Requirement**

The Capital Financing Requirement will reflect the Council's underlying need to borrow for a capital purpose.

*Actual General Fund Capital Financing Requirement at 31 March 2009*

Description	£'000
Operational assets	85,220
Non-operational assets	41,783
Deferred charges	0
Revaluation Reserve	(9,731)
Capital Adjustment Account	(103,051)
Government Grants Deferred	(7,515)
<b>Actual General Fund Capital Financing Requirement 31 March 2009</b>	<b>6,706</b>

*Estimated General Fund Capital Financing Requirement at 31 March 2010*

Estimate of General Fund Capital Financing Requirement 31 March 2009	6,706
Estimate of change in Operational assets	0
Estimate of change in Non-operational assets	0
Estimate of change in Deferred charges	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	17,638
Estimate of change in Government Grants Deferred	(7,356)
<b>Estimate of General Fund Capital Financing Requirement 31 March 2010</b>	<b>16,988</b>

*Estimated General Fund Capital Financing Requirement at 31 March 2011*

Estimate of General Fund Capital Financing Requirement 31 March 2010	16,988
Estimate of change in Operational assets	0
Estimate of change in Non-operational assets	0
Estimate of change in Deferred charges	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	8,482
Estimate of change in Government Grants Deferred	0
<b>Estimate of General Fund Capital Financing Requirement 31 March 2011</b>	<b>25,470</b>

*Estimated General Fund Capital Financing Requirement at 31 March 2012*

Estimate of General Fund Capital Financing Requirement 31 March 2011	25,470
Estimate of change in Operational assets	0
Estimate of change in Non-operational assets	0
Estimate of change in Deferred charges	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	2,045
Estimate of change in Government Grants Deferred	0
<b>Estimate of General Fund Capital Financing Requirement 31 March 2012</b>	<b>27,515</b>

*Estimated General Fund Capital Financing Requirement at 31 March 2013*

Estimate of General Fund Capital Financing Requirement 31 March 2012	27,515
Estimate of change in Operational assets	0
Estimate of change in Non-operational assets	0
Estimate of change in Deferred charges	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(631)
Estimate of change in Government Grants Deferred	0
<b>Estimate of General Fund Capital Financing Requirement 31 March 2013</b>	<b>26,884</b>