

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.

Strategic Theme	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Prosperous City	213	340	1,079	1,037	681
Accessible City	1,077	292	157	0	0
Electronic City	876	600	589	176	176
Cultural and Fun Place To Be	3,498	4,148	8,397	2,847	0
Strong Communities	0	0	15	0	0
Healthy and Active City	529	327	450	650	0
Environment Cared For	2,281	861	487	360	460
Safe City	185	81	68	32	16
A Learning City	0	0	53	0	0
Housing in the City	2,141	2,129	3,105	1,425	2,023
Achieving Excellence in Public Services	1,494	1,270	1,170	380	370
Total General Fund Capital Expenditure	12,294	10,048	15,570	6,907	3,726

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.

Description	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Interest payable with respect to short term borrowing	72	68	110	300	450
Interest payable under 'irredeemable' long term liabilities	0	0	0	0	0
Interest and investment income	(1,345)	(720)	(400)	(500)	(600)
Replacement for Minimum Revenue Provision (England and Wales)	0	0	0	320	600
Voluntary contribution to financing costs in respect of short-life assets	0	0	0	0	0
Total General Fund Financing Costs	(1,273)	(652)	(290)	120	450

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	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Financing costs	(1,273)	(652)	(290)	120	450
Net revenue stream (General Fund Expenditure - Budget Book/Financial Strategy)	15,744	16,215	16,584	16,998	17,119
Ratio of financing costs to net revenue stream %	(8.1)	(4.0)	(1.7)	0.7	2.6
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	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Total budgetary requirements for the authority with existing capital programme	16,569	16,933	17,009
Total budgetary requirements for the authority with proposed capital programme	16,584	16,998	17,119
Difference	15	65	110
Incremental Impact on Band D Council Tax	£0.40	£1.71	£2.86

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 2008

Description	£'000
Operational assets	73,951
Non-operational assets	43,834
Deferred charges	0
Revaluation Reserve	(2,073)
Capital Adjustment Account	(104,296)
Government Grants Deferred	(4,710)
Actual General Fund Capital Financing Requirement 31 March 2007	6,706

Estimated General Fund Capital Financing Requirement at 31 March 2009

Estimate of General Fund Capital Financing Requirement 31 March 2008	6,706
Estimate of Operational assets 2008/09	0
Estimate of Non-operational assets 2008/09	(75)
Estimate of Deferred charges 2008/09	0
Estimate of Revaluation Reserve 2008/09	0
Estimate of Capital Adjustment Account 2008/09	4,313
Estimate of Government Grants Deferred 2008/09	(4,238)
Estimate of General Fund Capital Financing Requirement 31 March 2009	6,706

Estimated General Fund Capital Financing Requirement at 31 March 2010

Estimate of General Fund Capital Financing Requirement 31 March 2009	6,706
Estimate of Operational assets 2009/10	0
Estimate of Non-operational assets 2009/10	0
Estimate of Deferred charges 2009/10	0
Estimate of Revaluation Reserve 2009/10	0
Estimate of Capital Adjustment Account 2009/10	13,770
Estimate of Government Grants Deferred 2009/10	(5,256)
Estimate of General Fund Capital Financing Requirement 31 March 2010	15,220

Estimated General Fund Capital Financing Requirement at 31 March 2011

Estimate of General Fund Capital Financing Requirement 31 March 2010	15,220
Estimate of Operational assets 2010/11	0
Estimate of Non-operational assets 2010/11	0
Estimate of Deferred charges 2010/11	0
Estimate of Revaluation Reserve 2010/11	0
Estimate of Capital Adjustment Account 2010/11	5,193
Estimate of Government Grants Deferred 2010/11	(1,365)
Estimate of General Fund Capital Financing Requirement 31 March 2011	19,048

Estimated General Fund Capital Financing Requirement at 31 March 2012

Estimate of General Fund Capital Financing Requirement 31 March 2011	19,048
Estimate of Operational assets 2011/12	0
Estimate of Non-operational assets 2011/12	0
Estimate of Deferred charges 2011/12	0
Estimate of Revaluation Reserve 2011/12	0
Estimate of Capital Adjustment Account 2011/12	3,105
Estimate of Government Grants Deferred 2011/12	(559)
Estimate of General Fund Capital Financing Requirement 31 March 2012	21,594