

ANNEX

MILTON KEYNES COUNCIL - PRUDENTIAL INDICATORS 2007-08 to 2009-10 Includes updated indicators for 2006-07 where applicable

1.0 Capital Expenditure

1.1 The estimates of **capital expenditure** to be incurred for the current and future three years are:

Capital Expenditure				
	2006-07 Latest Estimate £000	2007-08 Estimate £000	2008-09 Estimate £000	2009-10 Estimate £000
General Fund	109,017	117,483	87,532	62,664
HRA	14,269	12,319	12,329	12,274
Total	123,286	129,802	99,861	74,938

1.2 Estimates of the end of year **capital financing requirement** for the current and future three years are:

Capital Financing Requirement (Closing CFR)				
	2006-07 31 March 2007 Estimate £000	2007-08 31 March 2008 Estimate £000	2008-09 31 March 2009 Estimate £000	2009-10 31 March 2010 Estimate £000
Non-HRA	178,341	214,513	254,676	288,561
HRA	77,774	78,523	79,271	80,020
Total	256,115	293,036	333,947	368,581

2.0 Affordability

2.1 Estimates of the **ratio of financing costs to net revenue stream** for the current and future three years are:

Ratio of financing costs to net revenue stream				
	2006-07 Latest Estimate %	2007-08 Estimate %	2008-09 Estimate %	2009-10 Estimate %
Non-HRA	9.67	11.34	13.51	14.70
HRA	24.45	23.88	23.49	23.18

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- 2.2 The estimates of the **incremental impact of capital investment decisions** proposed, over and above capital investment decisions that have previously been taken by the Council are:

For the Band D Council Tax

Estimates of incremental impact of new capital investment decisions on the Council Tax	
	General Fund £ p
Year 1 2007-08	4.62
Year 2 2008-09	11.50
Year 3 2009-10	12.55

For average weekly housing rents

Estimates of incremental impact of new capital investment decisions on the Council Housing Rents	
	HRA £ p
Year 1 2007-08	0.00
Year 2 2008-09	0.00
Year 3 2009-10	0.00

3.0 External Debt

- 3.1 The proposed **authorised limits for total external debt** gross of investments for the current and next three financial years are:

Authorised limit for external debt				
	2006-07 Limit £000	2007-08 Limit £000	2008-09 Limit £000	2009-10 Limit £000
Borrowing	323,250	392,250	453,000	495,000
Other long term liabilities	750	750	1,000	1,000
TOTAL	324,000	393,000	454,000	496,000

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- 3.2 The proposed **operational boundaries** for external debt for the current and next three financial years are:

Operational boundary for external debt				
	2006-07 Boundary	2007-08 Boundary	2008-09 Boundary	2009-10 Boundary
	£000	£000	£000	£000
Borrowing	303,250	372,250	433,000	475,000
Other long term liabilities	750	750	1,000	1,000
TOTAL	304,000	373,000	434,000	476,000

4.0 Prudence

- 4.1 The estimated **net borrowing** for 2007-08 is less than the adjusted estimated **capital financing requirement**. This is demonstrated below:

Net external debt less than CFR	
	2007-08 £000
Borrowing	281,204
Less investments	(65,803)
Net external debt	215,401
Previous year CFR	256,115
Additional CFR -	
Current year	36,921
Next year	40,911
Following year	34,634
Adjusted CFR	368,581

Net external debt less than adjusted CFR	Yes
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5.0 Treasury Management

5.1 The Council adopted the **CIPFA Code of Practice for Treasury Management in the Public Services** on 12 March 2002.

5.2 The proposed upper limit on **variable interest rate exposures** for the current and the following three years are:.

Upper limits on variable interest		
		Upper £000
Latest	2006-07	88,000
Estimate	2007-08	108,000
Estimate	2008-09	123,000
Estimate	2009-10	128,000

5.3 The proposed upper limit on its **fixed interest rate exposures** for the current and the following three years are:

Fixed rate risk		Upper £000
Latest	2006-07	308,000
Estimate	2007-08	377,000
Estimate	2008-09	438,000
Estimate	2009-10	480,000

5.4 The proposed lower and upper limits for the **maturity structure of borrowing for 2007-08** are:

Maturity structure of borrowing		
	Lower Limit %	Upper Limit %
Under 12 months	0	15
1-2 years	0	15
2-5 years	0	40
5-10 years	0	40
Over 10 years	60	100

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5.5 The proposed upper limits on investments for periods longer than 364 days are:

Upper limit on investments for periods longer than 364 days	
	Upper Limit £000
Latest 2006-07	10,000
Estimate 2007-08	25,000
Estimate 2008-09	25,000
Estimate 2009-10	25,000