

**2013/14 ACTUAL PRUDENTIAL INDICATORS**

- 1.1 The Prudential Capital Finance system which came into force on 1<sup>st</sup> April 2004 allows authorities to borrow as much as they can prudently afford to pay back from their revenue resources (subject to national safeguards).
- 1.2 The Council set its original Prudential Indicators for 2013/14 in February 2013. It is a requirement of the Prudential Code for Capital Finance in Local Authorities that the Council calculates actuals for certain of the indicators and reports upon them after the end of the year to which the indicators relate. The actuals for the relevant indicators are shown below together with a comparison, where appropriate, with the indicator set in February 2013.

1.3 **Actual ratio of financing costs to net revenue stream**

This ratio sets an upper limit on the proportion of the Council's net revenue streams both for GF and HRA which goes to service debt.

	<b>2013/14 Original</b>	<b>2013/14 Actual</b>
General Fund	0.00% to -5.00%	-1.24%
Housing Revenue Account	37.50% to 42.50%	40.38%
Overall	22.50% to 27.50%	24.07%

It can therefore be seen that all three ratios for 2013/14 Actual are within range.

1.4 **Actual capital expenditure for 2013/14**

It should be noted that the General Fund Capital Programme and the General Fund Housing (Registered Providers and Improvement Grants) part of the Housing Investment Programme are to be considered as one.

	<b>2013/14 Original</b>	<b>2013/14 Actual</b>
General Fund	£6,352,800	£4,431,881
Housing Revenue Account	£12,905,200	£5,729,779
Overall	£19,258,000	£10,161,660

The 2013/14 original indicator for GF capital expenditure included £1.787m in respect of grants to Registered Providers and Environmental Health Improvement Schemes. In the event, only £0.922m was spent in 2013/14 on these grants. In addition, slippage of £0.846m was incurred in the General Fund Capital programme itself and £0.203m expenditure was charged to revenue as it did not satisfy the criteria required for inclusion as capital expenditure. The most significant item accounting for the underspend on the Housing

Revenue Account relates to Fetherston Court where the original indicator for 2013/14 included a budget of £6.9m. In the event, only £0.331m was spent.

**APPENDIX 'D' (Continued)**

**1.5 Actual capital financing requirement at 31/3/2014**

This is a key measure in that it measures the underlying need for an authority to borrow for capital purposes.

	<b>2013/14 Original</b>	<b>2013/14 Actual</b>
General Fund	-£1,326,896	-£1,326,896
Housing Revenue Account	£135,786,796	£135,786,796
Overall	£134,459,900	£134,459,900

The Council was able to finance its capital expenditure in 2013/14 from within its own means and did not generate any requirement to borrow.

- 1.6 The final indicator that requires reporting at the year end is the amount of external debt outstanding at the year end. The HRA Self Financing debt outstanding at 31<sup>st</sup> March 2014 was £136,157,000. In addition, during 2013/14 the Council entered into a Finance lease for the supply of a van for the Dog Warden. The principal outstanding at 31<sup>st</sup> March 2014 on all Finance leases was £76,366 which when added to the external borrowing of £136,157,000 gives £136,233,366 total debt outstanding at 31<sup>st</sup> March 2014.