

**AGENDA MANAGEMENT SHEET**

**Name of Committee**

**Cabinet**

**Date of Committee**

**01 February 2007**

**Report Title**

**2007/2008 Budget – An Update**

**Summary**

The report provides members with an updated indication of the revenue resources available for 2007/08 and the associated spending proposals identified by directorates. It also recommends that the framework 2007/08 revenue and capital budget resolutions are forwarded to Council for the budget setting meeting on 6 February 2007.

**For further information please contact:**

David Clarke  
Strategic Director,  
Resources  
Tel: 01926 412003

Virginia Rennie  
Group Accountant  
Tel: 01926 412239  
vrennie@warwickshire.gov.uk

davidclarkeTR@warwickshire.gov.uk

**Would the recommended decision be contrary to the Budget and Policy Framework?**

No

**Background papers**

- 2007/08 RSG Settlement issued by the DCLG in January 2007
- Letters from the district councils confirming the taxbase to be used for setting the precept and the surplus/deficit on collection from previous years
- O&S Committee budget reports contained in the booklet "Budget Pressures 2007/08 to 2009/10"
- Cabinet report, 1February 2007 "Capital Programme Review"
- Cabinet Report, 1 February 2007 "Capital Programme 2007/08 to 2009/10"
- Cabinet report, 11 January 2007 "Public Consultation on the Budget and Council Tax 2007/08 - Results"
- Cabinet report, 1 February 2007 "2007/08 Treasury Management Strategy"

**CONSULTATION ALREADY UNDERTAKEN: -**

Other Committees

Local Member(s)

Other Elected Members

Cllr Tandy, Cllr Roodhouse, Cllr Hicks and Cllr Booth, Cllr Atkinson – for information

- |                          |                                     |   |
|--------------------------|-------------------------------------|---|
| Cabinet Member           | <input checked="" type="checkbox"/> | Cllr Farnell, Cllr Cockburn – cleared for circulation |
| Chief Executive          | <input checked="" type="checkbox"/> | Jim Graham - for information                          |
| Legal                    | <input checked="" type="checkbox"/> | David Carter – for information                        |
| Finance                  | <input checked="" type="checkbox"/> | David Clarke - reporting officer                      |
| Other Chief Officers     | <input type="checkbox"/>            |   |
| District Councils        | <input type="checkbox"/>            |   |
| Health Authority         | <input type="checkbox"/>            |   |
| Police                   | <input type="checkbox"/>            |   |
| Other Bodies/Individuals | <input type="checkbox"/>            |   |

**FINAL DECISION No**

**SUGGESTED NEXT STEPS:**

- |   |                                     |  |
|---|-------------------------------------|--|
| Further consideration by this Committee | <input type="checkbox"/>            |  |
| To Council                              | <input checked="" type="checkbox"/> | Council will approve the 2006/07 Budget on 6 February 2007 |
| To Cabinet                              | <input type="checkbox"/>            |  |
| To an O & S Committee                   | <input type="checkbox"/>            |  |
| To an Area Committee                    | <input type="checkbox"/>            |  |
| Further Consultation                    | <input type="checkbox"/>            |  |

## Cabinet - 1 February 2007

### 2007/2008 Budget – An Update

#### Report of the Strategic Director, Resources

##### Recommendation

It is recommended the Cabinet:

- Note the 2007/08 government support of £75.826 million.
- Note the projected resource implications of setting a 2007/08 council tax at various levels, as outlined in paragraph 4.3 below.
- Note the surplus on the collection of council tax in previous years, reported to us by the district/borough councils, of £0.035 million.
- Note the Strategic Director, Resources' comments on the minimum acceptable level of general reserves (see Appendix A).
- Note the likely level of resources available for 2008/09 and 2009/10 and recommend that the Party Groups consider the implications of any decisions on the allocation of resources in 2007/08 on 2008/09 and future years.
- Recommend to County Council that account is taken of the 2007/08 Framework Budget Resolutions when setting the 2007/08 Budget (see Appendix B).

## 1 Introduction

- 1.1 At its meeting on 2 November 2006 Cabinet received its second interim report on the likely level of available resources to support the 2007/08 Revenue Budget. The 2007/08 provisional Revenue Support Grant (RSG) Settlement announced at the end of November clarified some of the background information. This was reported to members in the finance newsletter on 28 November 2006.
- 1.2 This report updates members with the actual level of resources available to support the 2007/08 Revenue Budget. It reflects the final information on the 2007/08 RSG Settlement and the final information from the district councils in Warwickshire on the taxbase and the collection fund.

1.3 This section of the report focuses on three main areas:

- The level of government support.
- Income from the council tax.
- The availability of general reserves and other one-off resources.

1.4 Based on the various background reports and information 2007/08 Framework Capital and Revenue Budget Resolutions have also been prepared.

## **2 Dedicated Schools Grant**

2.1 The Dedicated Schools Grant (DSG) is the regime for funding schools and pupil related services. The DfES issued indicative figures for the 2007/08 DSG on 28 November 2006. The indicative DSG of £269.998 million is an increase of 5.8% on the 2006/07 base. The view of Strategic Directors Management Team is that there are sufficient resources within the DSG to fund the required increase in spending on schools and pupil related services. These resources cannot be used for other County Council spending.

## **3 Central Government Support**

3.1 The 2007/08 central government support (i.e. Revenue Support Grant and business rates) for Warwickshire is £75.826 million. This represents a 2.7% increase on the adjusted base for 2006/07. No grant allocations for future years will be made until the autumn, after the 2007 Comprehensive Spending Review has been issued.

3.2 As part of the Settlement, the government has continued with the mechanism of ensuring each authority receives a minimum increase in grant between years. The 2006/07 grant review was not favourable for the County Council and for 2007/08 the authority remains at the "floor". This means only the minimum grant increase will be received in 2007/08 and potentially into future years. The floor has been set at 2.7% for 2007/08. Without this safety net Warwickshire's grant level would have been lower. For example, within the £75.826 million grant allocation is funding of £1.088 million to bring its grant increase in funding up to the minimum level of increase in grant.

## **4 Income from Council Tax**

4.1 The taxbase we must use when setting the council tax, as notified to us by the district councils in Warwickshire, is 195,977 Band D equivalent properties [to be updated], some 1,529 properties higher than the equivalent figure for 2006/07.

4.2 The new taxbase yields an additional £1.524 million council tax income from a standstill position in 2006/07.

4.3 Table 1 below shows the additional resources available to the County Council in 2007/08 at a number of different tax levels, using the latest information available. These resources are in addition to the £75.826 million expected as central government support.

Percentage Increase in Council Tax	Increase in Council Tax Income compared to 2006/07 £m	Total Council Tax Income £m
0.0%	1.524	195.248
1.0%	3.476	197.200
2.0%	5.429	199.153
3.0%	7.381	201.105
4.0%	9.334	203.058
5.0%	11.286	205.010

- 4.4 As part of announcing the 2007/08 grant settlement the Minister's statement made it clear that the government is expecting average council tax increases of no more than 5% in 2007/08. This is a clear statement on the likely capping level.
- 4.5 The district/borough councils have informed the County Council that there is a net surplus on the collection of council tax from previous years in 2007/08 of £0.035 million. The breakdown across the five districts of this deficit is shown in Table 2 below.

District/Borough Council	£
North Warwickshire	38,631
Nuneaton and Bedworth	397,268
Rugby	47,548
Stratford-on-Avon	(130,444)
Warwick	(318,452)
<b>Total</b>	<b>34,551</b>

- 4.6 For 2008/09 and beyond the level of council tax income is more difficult to estimate, as it is partially dependent on the level of council tax increase agreed for 2007/08. Recent years have seen growth in the taxbase of between 0.5% and 1% generating additional income of £0.9 million to £1.9 million. However, this rate of increase has been slowing and slowdown in the rate of increase in the taxbase is expected to continue. Therefore, additional council tax income in 2008/09 and 2009/10 is assumed to arise partially from a naturally increasing taxbase but primarily from the percentage increase in council tax members agree as part of the budget resolution in each year.

## **5 Availability of General Reserves**

- 5.1 Recent legislation requires that the Strategic Director, Resources make an annual statement on the adequacy of general reserves and provisions. The Strategic Director, Resources has now completed the risk assessment for 2007/08. This confirms that the minimum level of general reserves it is prudent to retain is £10.0 million. A copy of the risk assessment is attached at **Appendix A**.

- 5.2 At the end of 2005/06 general reserves were £7.686 million. However, there are a number of known changes since 31 March 2006. £2.092 million of this was forecast and used to support the 2006/07 budget. During the year, there have been a number of actual/expected calls on general reserves as well as the underspend on Other Services reported as part of the quarterly budget monitoring. The effect of these is a net contribution to reserves of £4.419 million. As a result the forecast level of general reserves at 1 April 2007 is £10.013 million.
- 5.3 The latest forecast of unencumbered general reserves of £10.013 million is at the £10.0 million specified by the Strategic Director, Resources. The advice of the Strategic Director, Resources is therefore that no use of general reserves is made as part of the 2007/08 budget resolution.
- 5.4 Members should note that reserves are only available to support spending on a one-off basis. Consideration should be given to the long-term funding of any permanent allocations made. Also there is a cost to using reserves. Each £1 million reserves results in a loss of earned interest on revenue balances of £50,000.
- 5.5 For 2008/09 and 2009/10 it is not forecast, at this time, that there will be any reserves available to support the budget.

## 6 Efficiency Savings

- 6.1 The approved budget for the last few years has included cash savings targets for each directorate of 2.5% (2006/07), 2.3% (2005/06) and 2.0% (2004/05). Table 3 below shows the impact of a range of savings targets on Directorates.

Directorate	1.0% Target £m	1.5% Target £m	2.0% Target £m	2.5% Target £m
Adult, Health & Community Services	0.957	1.436	1.914	2.393
Children, Young People & Families	0.634	0.951	1.268	1.585
Community Protection	0.202	0.302	0.403	0.504
Environment & Economy	0.369	0.553	0.738	0.922
Performance & Development	0.093	0.139	0.186	0.232
Resources	0.159	0.238	0.318	0.397
<b>Total</b>	<b>2.414</b>	<b>3.619</b>	<b>4.827</b>	<b>6.033</b>

- 6.2 The medium term financial planning strategy agreed by Council in July 2006 included a cash-backed savings target of 2.5% per year overall. This recognised that members may wish to impose differential savings targets in future years. The advice from SDMT is to be more ambitious in seeking efficiency savings and in the reprioritisation of resources.
- 6.3 There are other options available, for future years, to generate savings levels in aggregate above the 2.5% level:
- Projects arising from the modernisation agenda that generate savings in future years.

- Projects to address high spend areas and consider the potential to make cost savings.
- Specific disinvestment in lower priority services.

6.4 It should be noted that the more aggressive the authority is at this stage in pursuing projects that will deliver the modernisation agenda, efficiencies, service improvements and cost savings, the less reliance that will need to be placed on Directorate top-slicing for savings targets in the future.

## 7 Gross Available Resources 2007/08 and 2009/10

7.1 The budgeted net spending for 2006/07 approved by Council in February was £267.309 million. However, this included some elements of on-going expenditure that were funded from on-going resources. When these are taken into account the **base budget for 2007/08, before any additional spending allocations, is £269.210 million.**

7.2 When all the various elements of the resource forecast outlined in paragraphs 3 to 6 above are combined, the result is gross headroom of £17.659 million, as shown in Table 4 below. This assumes a council tax increase of 5% and an increase in central government support of 2.5% in both 2008/09 and 2009/10.

<b>Table 4: 2007/08 to 2009/10 Gross Available Resources</b>			
	Estimated 2007/08 Resources £m	Estimated 2008/09 Resources £m	Estimated 2009/10 Resources £m
Central Government Support	75.826	77.722	79.665
Council Tax (assuming a 5% increase)	205.010	216.122	227.608
Efficiency Savings (2.5% per annum)	6.033	6.300	6.600
<b>Available Resources</b>	<b>286.869</b>	<b>300.144</b>	<b>313.873</b>
2007/08 Base Budget	(269.210)	(269.210)	(269.210)
Impact of additional spend in 2007/08		(11.626)	(11.626)
Impact of additional spend in 2008/09			(13.008)
<b>Gross Available Resources</b>	<b>17.659</b>	<b>19.308</b>	<b>20.029</b>

7.3 Each 1% variation in the council tax (below the 5% increase shown in Table 4 above) would reduce the gross resources available for allocation by £1.952 million.

## 8 Spending Pressures and Proposed Service Developments

8.1 Directorates have identified spending pressures and proposed service investments over three years. These are summarised in Table 5 below. These figures should be put into context alongside the resource projections included in Table 4 above.

<b>Table 5: Spending Proposals – Analysis by Type</b>			
Type of Bid	2007/08	2008/09 Additional Proposals	2009/10 Additional Proposals
	£m	£m	£m
Inflation	9.044	8.018	8.169
Capital Financing Costs of Approved Programme	0.977	1.739	1.328
Other Revenue Spending Pressures	16.265	3.855	5.781
Revenue Investment Proposals	7.507	0.038	(0.341)
Capital Financing Costs of the Base Capital Programme	0.152	0.368	0.769
Capital Financing Costs of Other Capital Investment Proposals	0.385	0.772	0.386
<b>Total</b>	<b>34.330</b>	<b>14.790</b>	<b>16.092</b>

8.2 Information on all the spending pressures and investment proposals, along with the reports to Overview and Scrutiny Committees, has been placed in the Group rooms and was presented to Cabinet at their meeting on 2 November 2006.

## 9 Setting a Balanced Budget

9.1 In addition to the Strategic Director, Resources making an annual statement on the adequacy of reserves and provisions he is also required to report on the robustness of the budget. This requires that the Strategic Director, Resources is satisfied that the budget is based on realistic assumptions and presents a balanced position in that sufficient resources have been identified to meet spending plans.

9.2 The Strategic Director, Resources' opinion in this respect will be included in the proposals from each political group, which are considered by the County Council.

## 10 2007/08 Budget and Policy Framework

10.1 The first part of this report has outlined the available revenue resources to fund the 2007/08 Revenue Budget. Cabinet on 1 February 2007 will also receive reports on the latest capital programme review and on the Treasury Management Strategy for 2007/08.

10.2 Based upon the various background reports and information Framework 2007/08 Revenue and Capital Budget Resolutions have been prepared as per **Appendix B**.

10.3 Cabinet is asked to recommend that County Council take this information into account when setting the 2007/08 Budget.

DAVID CLARKE  
Strategic Director, Resources  
Shire Hall  
Warwick  
1 February 2007



## Risks Influencing the Level of General Reserves

Risk Area	Level of Risk	Provision
The potential for "Bellwin" type emergencies. Assuming such costs would attract grants under the Bellwin scheme, this provision would support circa £10 million of spend - sufficient for a major emergency.	Low to Medium	£2.0 million
The possibility of overspending on the "Other Services" budget due to the unpredictable and potentially volatile nature of interest rates	Low	£0.5 million
The likelihood of members not requiring a department to carry forward an overspending from a previous year, or meet it from their Directorate reserves. This would require a change in both council policy and custom and practice.	Very low	Nil
The likelihood of members making additional, in-year budget allocations to Directorates or where members have arranged for Directorates to phase the repayment of any overspends over a period of more than one year, or where there are difficulties in delivering efficiency savings.	Medium	£1.0 million
The possibility of any further costs arising from legal judgements which would fall on the County Council within one year.	Low	£0.5 million
Avian Flu/Flu Pandemic. Potentially significant numbers of staff will be unavailable. Costs would be incurred as the authority seeks to maintain critical care services.	Medium to high	£1.0 million
Pay and conditions review. Decisions will be made in 2007/08 that will determine the level of any costs facing the authority.	High	£4.5 million
Local Government Re-organisation. Significant progress is unlikely in 2007/08, therefore whilst the risk is medium no specific provision for any costs is needed at this time.	Medium	Nil
Local Area Agreement. The County Council is the Accountable Body for the LAA. The level of pooled funding in 2007/08 is minimal and therefore no specific provision is required.	Low to Medium	Nil
General contingency. This could be supplemented in any one year by a sizeable proportion of earmarked reserves, providing these were replenished as part of the budget process. These could absorb up to £3 million of costs.	Low, as most significant risks provided for separately	£0.5 million
<b>Total</b>		<b>£10.0 million</b>

## 2007/2008 Framework Revenue Budget Resolution

### Recommendations to County Council

It is recommended that:

#### 1 Service Objectives

1.1 {Party Groups to specify}

#### 2 Consultations and Thanks to Respondents

#### 3 2007/08 Revenue Allocations

3.1 Approval is given to the following budget allocations:

{Party Groups to specify}

#### 4 2007/08 Funding Sources

4.1 {Party Groups to specify policy treatment of efficiency savings and any other funding sources}

4.2 Council Tax Increase. The council tax will be increased by X%, which, together with other funding resources identified, will fund the budget proposals contained within this resolution.

#### 5 Medium Term Financial Planning Framework

{Party Groups to specify}

#### 6 Strategic Director, Resources' Statement

*"The Local Government Act 2003 requires me as "Chief Finance Officer" to report on:*

- ◆ *The robustness of the revenue estimates made for the purposes of the budget calculations; and*
- ◆ *The adequacy of the proposed financial reserves.*

*The budget information used in preparing this revenue budget resolution has undergone scrutiny by:*

- ◆ Strategic Directors and their staff;
- ◆ Myself and staff within the Resources Directorate;
- ◆ Strategic Directors Management Team;
- ◆ Overview and Scrutiny Committees.

*In addition to this I have worked closely with the Party Groups in preparing this budget resolution. **{Strategic Director, Resources to complete when final budget proposals from Party Groups are available}**.*

*I have also undertaken a risk analysis of the adequacy of financial reserves. This highlighted the need to increase the level of general reserves to £10.0 million. A requirement of this level is in line with the latest projection reported to members as part of the corporate budgeting monitoring process. **{Strategic Director, Resources to complete when final budget proposals from Party Groups are available}**."*

## 7 Summary of the 2007/08 Service Estimates

7.1 Approval be given to the estimates set out below which include provision for capital expenditure to be charged to the revenue account, financed from the Capital Fund, consistent with the 2007/08 capital programme.

7.2 Individual Service revenue estimates of:

	Base Budget	Additions	Funding Sources/ Re-cycling	Total
	£	£	£	£
Adult, Health and Community Services	107,116,896			
Children, Young People and Families Services	98,393,401			
Community Protection	23,251,522			
Environment and Economy	48,299,335			
Performance and Development Resources	2,555,139			
Other Services	29,073,777			
<b>Less: Notional Capital Charges</b>	<b>(41,958,677)</b>			
	<b>268,877,552</b>			
<b>Contributions to/from reserves:</b>				
• Use of service savings and earmarked reserves	(163,700)			
• Repayments to the Virtual Bank	496,200			

## 8 Budget Requirements

8.1

	Base Budget	Additions	Funding Sources/ Re-cycling	Total
	£	£	£	£
Approval to be given to a budget requirement for the general expenses of the County Council for the year ending 31 March 2008 of	269,210,052			

8.2

The basic amount of the Council Tax for a Band D property, for the year ending 31 March 2008 be calculated as follows: £

• Budget Requirement	
• Less Redistributed National Non-Domestic Rates	(64,929,677.00)
• Less Revenue Support Grant	(10,896,539.00)
• Add Council Tax Deficit on Collection	<u>(34,551.00)</u>

Divided by aggregate Council Tax Base for the County Area 195,977.10

Basic amount of Council Tax (Band D)

## 9 Council Tax

9.1 Approval be given to Council Tax amounts for each category of property as follows:

	£
Band A	
Band B	
Band C	
Band D	
Band E	
Band F	
Band G	
Band H	

## 10 Precepts

10.1 The Chief Executive issue 2007/08 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	
Nuneaton & Bedworth Borough Council	
Rugby Borough Council	
Stratford-on-Avon District Council	
Warwick District Council	

## **11 Budget Management**

- 11.1 The Chief Executive will be directly responsible for the implementation of the Budget.
- 11.2 The Chief Executive is instructed to remind all Strategic Directors that budgets must not be overspent and that effective budget management arrangements should be the cornerstone of directorate' work to secure Best Value.
- 11.3 Directorates, and also schools, be encouraged to take a medium term view of spending commitments including exercising caution in entering into initiatives which create commitments in future years and developing clear strategies for the utilisation of service reserves.
- 11.4 All member bodies and Strategic Directors be instructed to comply with the prescriptive legal duties placed upon the Council and the Chief Executive and Strategic Directors be instructed to ensure that the implementation of policies complies with legal requirements.
- 11.5 All Directorates are authorised to draw down on Directorate reserves accumulated from previous year's savings, subject to notifying the Strategic Director, Resources.
- 11.6 That authority is given for all necessary tenders to be obtained and contracts to be completed to give effect to this budget.

# 2007/2008 Framework Capital Budget Resolution

## Recommendations to County Council

It is recommended that:

### 1 Capital Programme

- 1.1 Approval be given to a capital programme of £xx,xxx,xxx for new schemes starting in 2007/08 as shown in Annex A **{Party Groups to specify}** and that authority be given for all necessary tenders to be obtained and contracts to be completed.
- 1.2 Of the £xx,xxx,xxx 2007/08 programme, schemes costing £122,274,900 were already approved for planning purposes. These are reaffirmed as part of this resolution. Additional allocations are also approved as follows: ..... **{Party Groups to specify}**
- 1.3 The capital programme of £xx,xxx,xxx and £xx,xxx,xxx new schemes starting in 2008/09 and 2009/10 as shown in Annex A be approved for planning purposes. Of these draft programmes schemes costing £13,698,900 for 2008/09 and £962,900 for 2009/10 are already approved for planning purposes. Additional allocations are also approved as follows: **{Party Groups to specify}**
- 1.4 A deduction is made from 2007/08 directorates revenue budgets for the debt charges in respect of the self-financing projects funded from borrowing.

### 2 Prudential Guidelines and Limits

- 2.1 Approval be given to an Affordable Borrowing Limit consistent with the capital programme approved at Annex A for 2007/08 and the subsequent two years as follows:

	In-Year £ per Band D Council Tax	Cumulative £ per Band D Council Tax
2007/08	xx.xx	xx.xx
2008/09	xx.xx	xx.xx
2009/10	xx.xx	xx.xx

- 2.2 Approval is given to the prudential indicators set out in Annex B, consistent with the approved Capital Programme 2007/08 to 2009/10 and the 2007/08 Treasury Management Strategy considered by Cabinet on 1 February 2007 and included for approval elsewhere on this agenda.

### 3 Strategic Director, Resources' Statement

- 3.1 The following statement from the Strategic Director, Resources is noted:-

*“ The Local Government Act 2003 requires me as “Chief Finance Officer” to report on the robustness of the estimates made for the purposes of the budget calculations.*

*The capital programme information used in preparing this capital budget resolution has undergone extensive scrutiny by:*

- *Strategic Directors and their staff;*
- *Myself and staff within my directorate;*
- *Strategic Directors Management Team;*
- *Overview and Scrutiny Committees*

3.2 *In addition to this I have worked closely with the Party Group in preparing this capital programme resolution. **{Strategic Director, Resources to specify his views once Party Group resolutions are finalised. This will include outlining the call on revenue funding to meet the capital financing costs of the approved programme through to 2009/10}.***”

## **4 Delegations**

- 4.1 The delegations from Council to Cabinet to allow Cabinet to approve amendments to the capital programme, first agreed by Council on 18 December 2001, be reconfirmed as follows:
- 4.2 The agreement of any increases or reductions in capital starts/payments totals as part of the capital review process is delegated to Cabinet.
- 4.3 The approval of the addition to the capital programme of projects costing less than £1.5 million, which are fully funded from external grants, developer contributions or from revenue, be delegated to Cabinet.
- 4.4 In addition the Strategic Director, Resources be provided with delegated authority to vire capital schemes between directorates where such virements are as a direct consequence of the restructuring of the County Council.

## **5 Budget Management**

- 5.1 The Chief Executive will be directly responsible for the implementation of the capital programme.
- 5.2 The Chief Executive is instructed to remind all Strategic Directors that budgets must not be overspent and that effective budget management arrangements should be the cornerstone of directorate' work to secure Best Value.
- 5.3 Directorates, and also schools, be encouraged to take a medium term view of spending commitments including exercising caution in entering into initiatives which create commitments in future years and developing clear strategies for the utilisation of service reserves.

- 5.4 All member bodies and Strategic Directors be instructed to comply with the prescriptive legal duties placed upon the Council and the Chief Executive and Strategic Directors be instructed to ensure that the implementation of policies complies with legal requirements.
- 5.5 That authority is given for all necessary tenders to be obtained and contracts to be completed to give effect to this budget.



## Draft Prudential Indicators 2007/08

(1). AFFORDABILITY PRUDENTIAL INDICATORS	2005/06 Actual	2006/07 Probable Outturn	2007/08 Estimate	2008/09 Estimate	2009/10 Estimate
Ratio of financing costs to net revenue stream	%	%	%	%	%
Capital Expenditure	£'000	£'000	£'000	£'000	£'000
Net borrowing requirement brought forward 1 April carried forward 31 March in year borrowing requirement					
In year Capital Financing Requirement					
Capital Financing Requirement as at 31 March					
Affordable Borrowing Limit					
Position as agreed at February 2006 Council Increase per council tax payer	£	£	£	£	£
Updated position of Current Capital Programme Increase per council tax payer					
Position as agreed at February 2007 Council Increase per council tax payer					

<b>(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS</b>	<b>2005/06 Actual</b>	<b>2006/07 Probable Outturn</b>	<b>2007/08 Estimate</b>	<b>2008/09 Estimate</b>	<b>2009/10 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Authorised limit for external debt -</b> Borrowing Other long term liabilities <b>TOTAL</b>					
<b>Operational boundary for external debt -</b> Borrowing Other long term liabilities <b>TOTAL</b>					
<b>Upper limit for fixed interest rate exposure</b> Net principal re fixed rate borrowing / investments OR:-  Actual	100% 100%	100%	100%	100%	100%
<b>Upper limit for variable rate exposure</b> Net principal re variable rate borrowing / investments OR:-  Actual	25% 0%	25%	25%	25%	25%
<b>Upper limit for total principal sums invested for over 364 days</b> (per maturity date)	£	£	£	£	£

<b>Maturity structure of new fixed rate borrowing during 2007/08</b>	<b>upper limit</b>	<b>lower limit</b>
under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%