

Appendix 3**MRWA PRUDENTIAL INDICATORS**

| | Prudential Code Para. Reference | Summary of Indicator/ Limit Rationale | | Revised 2013/14 £M (unless stated otherwise) | | Outturn 2013/14 £M (unless stated otherwise) | | Comment |
|-------------|---------------------------------|--|---|---|--------|--|--------|--|
| Indicator 1 | 3.1 | Estimated capital expenditure for the forthcoming year | Capital Expenditure | | 1.383 | | 1.150 | Savings and some slippage on the planned capital programme |
| | | | Financing of Capital Expenditure | | | | | Less capital financing needed due to savings on the capital programme and some slippage. |
| | | | -Grants | 0.000 | | 0.000 | | |
| | | | -Capital Receipts | 0.733 | | 0.733 | | |
| | | | -Earmarked Reserves | 0.650 | | 0.417 | | |
| | | | -Borrowing | <u>0.000</u> | 1.383 | <u>0.000</u> | 1.150 | |
| | | | Additional In-year Capital Financing (Borrowing) requirement | | | | | The amount set aside to finance capital was greater than the additional amount required |
| | | | -Borrowing (as above) | 0.000 | | 0.000 | | |
| | | | - Less MRP/Set aside | <u>-1.308</u> | -1.308 | <u>-0.960</u> | -0.960 | |

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| | | | | | | | | |
| Indicator 2 | 3.2 | Intended to measure an Authority's underlying need to borrow to fund capital expenditure. There should be a clear linkage between this and the Authority's actual levels of external borrowing. The Code aims to ensure that over the medium term an Authority's net borrowing is only for a capital purpose and this Indicator (alongside Indicator 3) serves to ensure that this is demonstrable | <i>End of Year Capital Financing (Borrowing) requirement</i> | | | | | The capital financing requirement remains within the approved estimate |
| | | | - Requirement b/f | 35.039 | | 35.039 | | |
| | | | - In-year requirement (from above) | <u>-1.308</u> | 33.731 | <u>-0.960</u> | 34.079 | |
| | | | <i>Estimated/actual external borrowing</i> | | | | | |
| | | | -Estimated/actual b/f | 31.616 | | 31.616 | | |
| | | | -In-year requirement (from above) | <u>-1.308</u> | 30.308 | <u>-0.960</u> | 30.656 | |

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| | | | | | | | | |
| Indicator 3 | 3.3 | See Indicator 2 above | <i>Estimated/actual net borrowing</i> -External borrowing (from above) -Less investments held | 30.308 <u>0.000</u> | 30.308 | 30.656 <u>0.000</u> | 30.656 | External borrowing remains within approved estimates – investments are made by St Helens Council and are held by them on behalf of the Authority |

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| | | | | | | | | |
| Indicator 6 | 3.6 | This represents an absolute limit of borrowing at any one point in time. It is not, nor is intended to be a sustainable level of borrowing, but more so an approved level of maximum debt that may arise due to timing issues around new borrowings, maturities, significant cashflow transactions and rescheduling activity | <i>Authorised Limit for External Debt</i> -Estimated external borrowing (from above) -Allowance for unanticipated cashflow items calculated as 5% of Net Revenue Stream -Maturing borrowing refinanced prior to maturity of existing loans -Allowance for restructuring of loan debt where new borrowing taken in advance of associated repayment -Allowance for borrowing in respect of subsequent 2 years requirements, where rates are rising | 30.308 | | 30.656 | | The Authority has not exceeded the Authorised Limit for external debt |
| | | | | 3.280 | | 3.208 | | |
| | | | | 0.300 | | 0.000 | | |
| | | | | 1.000 | | 0.000 | | |
| | | | | <u>1.000</u> | | <u>0.000</u> | | |
| | | | | | 35.888 | | 36.236 | |

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| | | | | | | | | |
| Indicator 7 | 3.7 | This represents a lower level boundary of debt levels that should trigger investigation or review once it is exceeded. | <p>Operational Boundary for External Debt</p> <p>-Estimated external borrowing (from above)</p> <p>-allowance for unanticipated cashflow items calculated as 2.5% of Net Revenue Stream</p> <p>-Maturing borrowing refinanced prior to maturity of existing loans.</p> | 30.308 | | 30.656 | | The Authority has not exceeded the operational boundary for external debt |
| | | | | 1.640 | | 1.640 | | |
| | | | | <u>0.300</u> | | <u>0.000</u> | | |
| | | | | | 32.248 | | 32.596 | |

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| Indicator 8 | 3.8 | These limits seek to ensure that the Authority does not expose itself to an inappropriate level of interest rate risk, and has a suitable proportion of its debt secured at certain, fixed rates | <i>Interest Rate Exposures</i> -Upper limit for fixed rate exposure on net principle outstanding sums -Lower limit for fixed rate exposure on net principle outstanding sums | 100% 50% | 100% 50% | |

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| Indicator 9 | 3.9 | These limits also seek to ensure that the Authority does not expose itself to an inappropriate level of interest rate and refinancing risk by ensuring that significant proportions of its debt are not scheduled to mature at similar times | <p>Maturing Structure of Borrowing</p> <p>-Upper limit on amount of projected borrowing that is fixed rate maturing in each period</p> <p>Under 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years and above</p> <p>- Lower limit on amount of projected borrowing that is fixed rate maturing in each period</p> <p>Under 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years and above</p> | <p>40%</p> <p>50%</p> <p>60%</p> <p>70%</p> <p>90%</p> <p>0%</p> <p>0%</p> <p>0%</p> <p>0%</p> <p>0%</p> | <p>40%</p> <p>50%</p> <p>60%</p> <p>70%</p> <p>90%</p> <p>0%</p> <p>0%</p> <p>0%</p> <p>0%</p> <p>0%</p> | The Authority has not exceeded these limits |

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|--------------|---------------------------------|--|--|-----------------|-----------------|--|
| Indicator 10 | 3.10 | These limits seek to ensure liquidity and reduce the likelihood of any inherent or associated risk | <i>Total principal sums invested for periods longer than 364 days</i> | 50% | 50% | St Helens Council's Treasury management limits are applied |