Appendix 3

MRWA PRUDENTIAL INDICATORS

	Prudential Code Para. Reference	Summary of Indicator/ Limit Rationale		Revised 2 £M (unles otherv	s stated	Outto 2013 £M (unles otherv	/14 s stated	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 -Grants -Capital Receipts -Earmarked Reserves -Borrowing	0.000 0.733 0.650 <u>0.000</u>	1.383	0.000 0.733 0.417	1.150	Less capital financing needed due to savings on the capital programme and some slippage.
			Additional In-year Capital Financing (Borrowing) requirement -Borrowing (as above) - Less MRP/Set aside	0.000 <u>-1.308</u>	-1.308	0.000 <u>-0.960</u>	-0.960	The amount set aside to finance capital was greater than the additional amount required

	Prudential Code Para. Reference	Summary of Indicator/Limit Rationale		201 £M (ւ sta	rised 3/14 unless ited wise)	Outto 2013 £M (un stated oth	/14 nless	Comment
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	End of Year Capital Financing (Borrowing) requirement - Requirement b/f - In-year requirement (from above) Estimated/actual external borrowing -Estimated/actual b/f	35.039 -1.308	33.731	35.039 -0.960	34.079	The capital financing requirement remains within the approved estimate
			-In-year requirement (from above)	<u>-1.308</u>	30.308	31.616 -0.960	30.656	

	Prudential Code Para. Reference	Summary of Indicator/Limit Rationale		201 £M (ւ sta	rised 3/14 unless ited rwise)	201	turn 3/14 Inless Iherwise)	Comment
Indicator 3	3.3	See Indicator 2 above	Estimated/actual net borrowing -External borrowing (from above) -Less investments held	30.308 0.000	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

	Prudential Code Para. Reference	Summary of Indicator/Limit Rationale		201 £M (ւ sta	rised 3/14 unless ited wise)	Out 2010 £M (u stated ot	3/14 nless	Comment
Indicator 4	3.4	This Indicator shows the impact that the revenue costs of capital financing decisions will have on the Authority's General Fund budget over time. If the ratio of these costs is increasing over time this highlights that a larger part of revenue resource is being taken by capital financing costs. These sums could be used for other elements of the Authority budget	Estimate of Financing Costs to Net Revenue Stream -Debt Management Costs -Less Investment Interest (net of costs) -Minimum Revenue Provision (MRP) -Estimated Financing Costs as a proportion of Net Revenue Stream Ratio %	1.422 -0.987 <u>1.308</u>	1.743 ÷ 65.591 2.7%	1.277 -0.450 <u>0.960</u>	1.787 ÷ 65.591 2.7%	The cost of capital financing as a proportion of the levy is almost unchanged and remains within acceptable levels.
Indicator 5	3.5	Arguably the ultimate consideration of the affordability of the Authority's capital investment plans is the impact of those plans Waste Disposal Levy levels	Estimate of Impact of Capital Investment Decisions on Levy		1.743		1.787	The cost of capital financing as a proportion of the levy is almost unchanged and remains within acceptable levels

	Prudential Code Para. Reference	Summary of Indicator/Limit Rationale		201 £M (ւ sta	rised 3/14 unless ited wise)	£M (u	3/14	Comment
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	Authorised Limit for External Debt -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 3.280 0.300 1.000	35.888	30.656 3.208 0.000 0.000	36.236	The Authority has not exceeded the Authorised Limit for external debt

	Prudential Code Para. Reference	Summary of Indicator/Limit Rationale		201 £M (ւ sta	rised 3/14 unless ited wise)	201: £M (u	turn 3/14 inless therwise)	Comment
Indicator 7	3.7	This represents a lower level boundary of debt levels that should trigger investigation or review once it is exceeded.	Operational Boundary for External Debt -Estimated external borrowing (from above) -allowance for unanticipated cashflow items calculated as 2.5% of Net Revenue Stream -Maturing borrowing refinanced prior to maturity of existing loans.	30.308 1.640 <u>0.300</u>	32.248	30.656 1.640 <u>0.000</u>	32.596	The Authority has not exceeded the operational boundary for external debt

	Prudential Code Para. Reference	Summary of Indicators/Limit Rationale		Revised 2013/14	Outturn 2013/14	Comment
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	Interest Rate Exposures -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%	

	Prudential Code Para. Reference	Summary of Indicators/Limit Rationale		Revised 2013/14	Outturn 2013/14	Comment
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	Maturing Structure of Borrowing -Upper limit on amount of projected borrowing that is fixed rate maturing in each period Under 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years and above - Lower limit on amount of projected borrowing that is fixed rate maturing in each period Under 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years and above	40% 50% 60% 70% 90%	40% 50% 60% 70% 90%	The Authority has not exceeded these limits

	Prudential Code Para. Reference	Summary of Indicator/Limit Rationale		Revised 2013/14	Outturn 2013/14	Comment
Indicator 10	3.10	These limits seek to ensure liquidity and reduce the likelihood of any inherent or associated risk	Total principal sums invested for periods longer than 364 days	50%	50%	St Helens Council's Treasury management limits are applied