

Treasury Limits and Prudential Indicators

Treasury Limits and Prudential Indicators			2017/18 Revised	2017/18 Actual	Commentary
1(i)	Proposed capital expenditure that the Authority plans to commit during the forthcoming subsequent two financial years	Capital Expenditure (£M)	0.000	0.000	<i>No capital programme was brought forward, there was no planned capital expenditure</i>
1(ii)	Additional in year borrowing requirement for capital expenditure	In year Capital Financing Requirement (CFR) (£M)	(10.254)	(10.368)	<i>The RRC had been anticipated to be at full operation for September 2017-18 the Capital Financing Requirement reflects this.</i>
2	The CFR is an aggregation of historic and cumulative capital expenditure which has yet been paid for by either revenue or capital resources	Capital Financing Requirement as at 31 March (£M)*	20.280	300.444	<i>The full costs of the RRC have been brought into the balance sheet rather than a part year effect.</i>
3	The 'net borrowing' position represents the net of the Authority's gross external borrowing and investments sums held	Net Borrowing requirement: External borrowing (£M) Investments held (£M) Net requirement (£M)	18.540 (0.855) 17.655	34.813 (5.470) 29.343	<i>The net borrowing requirement reflects the temporary overdraft with St Helens Council as well as other borrowings, investments here reflect the balances of reserves and provisions at the year end</i>
4	Identifies the impact and trend that the revenue costs of capital financing decisions will have on the General Fund budget over time	Ratio of financing cost to net revenue stream	15.10%	15.40%	<i>The ratio reflects the RRC as well as other authority activity.</i>
5	The Authority's budget strategy has been to support capital spending from reserves set aside, in future to	Incremental impact of capital investment decisions (increase in	0	0	<i>No additional borrowing planned</i>

	fund the capital programme additional borrowing is likely to be required	Levy %)			
6	This represents an absolute limit on borrowing at any one point in time. It reflects the level of external debt which, while not desired, could be afforded in the short term but which is not sustainable in the longer term	Authorised limit for External Debt (£M)	24.119	40.342	<i>The change here reflects the RRC being brought on to the balance sheet in full rather than as a part year effect and updates the revised estimate figure at the same time</i>
7	This is the limit beyond which external debt is not normally expected to exceed	Operational Limit for External Debt (£M)	20.479	36.752	<i>The change here reflects the RRC being brought on to the balance sheet in full rather than as a part year effect and updates the revised estimate figure at the same time</i>
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 debt	Upper limit for Fixed Interest Rate Exposure	100%	100%	<i>No change</i>
		Upper limit for Variable Interest Rate Exposure	50%	50%	<i>No change</i>
9	This limit seeks to ensure liquidity and reduce the likelihood of any inherent or associated risk	Upper Limit for Sums Invested over 364 days	60%	60%	<i>No change</i>

* *CFR calculation includes assumptions at revised estimate about the treatment of assets under IFRIC 12 as part of the Resource Recovery Contract (RRC), there are offsetting lease liabilities which will also feature in the authority's balance sheets in future years, actual is amended for discounting of the lease liability on closed landfill sites which was not completed at estimate.*