

Treasury Limits and Prudential Indicators

Treasury Limits and Prudential Indicators 2014/15			2015/16 Revised	2015/16 Actual
1(i)	Proposed capital expenditure that the Authority plans to commit during the forthcoming subsequent two financial years	Capital Expenditure (£M)	1.478	1.753
1(ii)	Additional in year borrowing requirement for capital expenditure	In year Capital Financing Requirement (CFR) (£M)	(1.213)	(1.318)
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)*	55.343	54.103
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)	19.399 (19.782) (0.383)	17.044 (19.341) (2.297)
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	2.97%	3.43%
5	The Authority's budget strategy has been to support capital spending from reserves set aside, in future to fund the capital programme additional borrowing is likely to be required	Incremental impact of capital investment decisions (increase in Levy %)	0	0
6	This represents an absolute limit on borrowing at any one point in time. It	Authorised limit for External Debt (£M)	24.978	24.978

	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			
7	This is the limit beyond which external debt is not normally expected to exceed	Operational Limit for External Debt (£M)	21.338	21.338
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%
		Upper limit for Variable Interest Rate Exposure	50%	50%
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%

* *CFR calculation includes assumptions 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.*

** *includes assumptions about the release of surplus funds from MWHL in 2015-16 and then again in 2017-18 but the latter funds release will depend upon the delivery of the RRC*