

## Treasury Limits and Prudential Indicators

Treasury Limits and Prudential Indicators			2018-19 Revised	2018-19 Actual	Commentary
1(i)	Proposed capital expenditure that the Authority plans to commit during the forthcoming subsequent two financial years	<b>Capital Expenditure (£M)</b>	0.055	0.021	<i>The expenditure was in respect of access controls at South Sefton HWRC</i>
1(ii)	Additional in year borrowing requirement for capital expenditure	<b>In year Capital Financing Requirement (CFR) (£M)</b>	(15.114)	(12.240)	<i>The Capital Financing requirement reflects the full year of RRC operation with a year end revaluation of the assets.</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	<b>Capital Financing Requirement as at 31 March (£M)*</b>	50.078	100.896	<i>The full costs of the RRC have been brought into the balance sheet and the actual reflects the year end valuation that was not in place at the revised estimate. This confirms a new requirement for the Authority</i>
3	The 'net borrowing' position represents the net of the Authority's gross external borrowing and investments sums held	<b>Net Borrowing requirement: External borrowing (£M)</b> <b>Investments held (£M)</b> <b>Net requirement (£M)</b>	18.325 (0.855) <b>17.440</b>	43.325 (0.855) <b>42.440</b>	<i>The difference between the revised estimate and the actual net borrowing requirement reflects the shift from short term 'internal' borrowing with St Helens Councils to longer term structural borrowing which was put into place near to the year end. This confirms a new limit for the Authority.</i>
4	Identifies the impact and trend that the revenue costs of capital financing decisions will have on the General Fund budget over time	<b>Ratio of financing cost to net revenue stream</b>	22.61%	21.41%	<i>The ratio reflects the RRC as well as other authority activity.</i>
5	The Authority's	<b>Incremental</b>			

	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	<b>impact of capital investment decisions (increase in Levy %)</b>	34.700	17.120	<i>Reflecting the year end shift to structural borrowing</i>
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	<b>Authorised limit for External Debt (£M)</b>	301.041	326.010	<i>The change here reflects the year end revaluation of the RRC assets (in particular) which was not available at the revised estimate, this actual limit reflects the Authority's position more accurately and confirms a new limit for the Authority.</i>
7	This is the limit beyond which external debt is not normally expected to exceed	<b>Operational Limit for External Debt (£M)</b>	297.238	322.223	<i>The change here reflects the year end revaluation of the RRC assets (in particular) which was not available at the revised estimate, this actual limit reflects the Authority's position more accurately, and confirms a new limit for the Authority..</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	<b>Upper limit for Fixed Interest Rate Exposure</b>	100%	100%	<i>No change</i>
		<b>Upper limit for Variable Interest Rate Exposure</b>	50%	50%	<i>No change</i>
9	This limit seeks to ensure liquidity and reduce the likelihood of any inherent or associated risk	<b>Upper Limit for Sums Invested over 364 days</b>	60%	60%	<i>No change</i>