

Treasury Limits and Prudential Indicators

Treasury Limits and Prudential Indicators 2019/20			2019/20 Revised	2019/20 Actual	Commentary
1(i)	Proposed Capital expenditure	Capital Expenditure (£M)	0.237	0.051	<i>Lower than expected expenditure reflecting the spend on HWRC improvements and equipment</i>
1(ii)	Additional in year borrowing requirement for Capital expenditure	In year Capital Financing Requirement (CFR) (£M)	(12.705)	(12.914)	<i>In line with expectations, relates to RRC lease costs</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)	75.084	79.019	<i>In line with expected outturn</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)	42.032 0 -42.032	41.830 0 -41.830	<i>In line with expectations and reduction in borrowing arising from smaller than proposed capital spending</i>
4	Identifies the impact and trend that the revenue costs of Capital financing decisions will have on the	Ratio of financing cost to net revenue stream	19.13%	19.14%	<i>In line with revised estimates</i>

	General Fund budget over time				
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 %)	<0.001%	0.00%	<i>No new borrowing, no incremental impact</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 It includes the estimated external limit boundary for other long term liabilities – effectively including the RRC liabilities.	Authorised limit for External Debt (£M)*	313.131	313.131	<i>Authority remains below this limit</i>
7	This is the limit beyond which external debt is not normally expected to exceed. It includes the estimated external limit boundary for	Operational Limit for External Debt (£M)*	309.288	309.288	<i>Authority remains below this limit</i>

	other long term liabilities – effectively including the RRC liabilities.				
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>100%</i>
		Upper limit for Variable Interest Rate Exposure	50%	50%	<i>50%</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>60%</i>