

## Treasury Limits and Prudential Indicators

Treasury Limits and Prudential Indicators 2020/21			2020/21 Revised	2020/21 Actual	Commentary
1(i)	Proposed Capital expenditure	<b>Capital Expenditure (£M)</b>	0.237	0.004	<i>Lower than expected expenditure reflecting the spend on equipment – financed from revenue</i>
1(ii)	Additional in year borrowing requirement for Capital expenditure	<b>In year Capital Financing Requirement (CFR) (£M)</b>	(12.677)	(15.439)	<i>Reflecting updated changes to asset lives in line with expectations</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>	55.669	51.953	<i>In line with expected outturn adjusted for asset life changes</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) Investments held (£M) Net requirement (£M)</b>	41.830 0 -41.830	42.269 0 -42.269	<i>In line with expected outturn</i>
4	Identifies the impact and trend that the revenue costs of	<b>Ratio of financing cost to net revenue stream</b>	18.19%	21.68%	<i>In line with increase in MRP arising from</i>

	Capital financing decisions will have on the General Fund budget over time				<i>changes to asset lives</i>
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	<b>Incremental impact of Capital investment decisions (increase in Levy %)</b>	0.0031%	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.	<b>Authorised limit for External Debt (£M)*</b>	301.489	301.489	<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	<b>Operational Limit for External Debt (£M)*</b>	297.551	297.551	<i>Authority remains below this limit</i>

	estimated external limit boundary for 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	<b>Upper limit for Fixed Interest Rate Exposure</b>	100%	100%	100%
		<b>Upper limit for Variable Interest Rate Exposure</b>	50%	50%	50%
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%	60%