

## 12 – Appendix 2

### APPENDIX 2: Treasury Limits and Prudential Indicators 2026/27 to 2028/29

<u>Treasury Limits and Prudential Indicators</u>			2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
1(i)	Authority plans to commit to during the forthcoming and subsequent two years	<b>Capital Expenditure (£m)</b>	0.870	0.270	0.250
1(ii)	Additional in-year borrowing requirement for capital expenditure.	<b>In Year Capital Financing Requirement (CFR) (£m)</b>	0.870	0.270	0.250
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>	182.3	175.2	167.2
3	The “net borrowing” position represents the net of the Authority’s gross external borrowing and investments sums held.	<b>Net Borrowing Requirement:</b>  External Borrowing (£m)	142.9	136.4	127.8
		Investments Held (£m)	(17.5)	(20.0)	(22.0)
		<b>Net Requirement (£m)</b>	(125.4)	(116.4)	(105.8)
4	Identifies the impact and trend of 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>	24.4%	23.5%	22.5%
5	The Authority’s Budget Strategy with regards to unsupported borrowing is such that there is no incremental impact to Authority Tax.	<b>Incremental impact of capital investment decisions (increase in Authority Tax Band D equivalent)</b>	N/A	N/A	N/A

<b>Treasury Limits and Prudential Indicators</b>			2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
6	This represents an absolute limit of 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 is not sustainable in the longer term.	<b>Authorised Limit for External Debt (£m)</b>	190.0	215.0	215.0
7	This is the limit beyond which external debt is not normally expected to exceed .	<b>Operational Limit for External Debt (£m)</b>	175.0	200.0	200.0
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 365 Days</b>	60%	60%	60%
10	This indicator is used to highlight where an authority may be borrowing in advance of need	<b>Gross Debt and the CFR (£m)</b>	(36.9)	(398.3)	(38.6)

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