

Annex A

	Prudential Indicator		2013/14 actual	2014/15 projection	2015/16 projection	2016/17 projection	2017/18 projection	2018/19 projection
4	<p>CFR as at Mid Year Review</p> <p>Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing increases the CFR.</p>	<p>GF</p> <p>HRA</p> <hr/> <p>Total</p>	<p>£170.9m</p> <p>£140.3m</p> <hr/> <p>£311.2m</p>	<p>£192.6m</p> <p>£140.3m</p> <hr/> <p>£332.9m</p>	<p>£201.7m</p> <p>£140.3m</p> <hr/> <p>£342.0m</p>	<p>£201.6m</p> <p>£140.3m</p> <hr/> <p>£341.9m</p>	<p>£197.7m</p> <p>£140.3m</p> <hr/> <p>£338.0m</p>	<p>£193.6m</p> <p>£140.3m</p> <hr/> <p>£333.9m</p>
5	<p>External Debt</p> <p>To ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose and so not exceed the CFR.</p>	<p>Gross Debt</p> <p>Invest</p> <hr/> <p>Net Debt</p>	<p>£264.0m</p> <p>£44.2m</p> <hr/> <p>£219.8m</p>	<p>£274.4m</p> <p>£68.0m</p> <hr/> <p>£206.4m</p>	<p>£284.3m</p> <p>£25.0m</p> <hr/> <p>£259.3m</p>	<p>£294.1m</p> <p>£25.0m</p> <hr/> <p>£269.1m</p>	<p>£294.0m</p> <p>£25.0m</p> <hr/> <p>£269.0m</p>	<p>£293.8m</p> <p>£20.0m</p> <hr/> <p>£273.8m</p>
6a	<p>Authorised Limit for External Debt</p> <p>The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could be sustained for only a short period of time. The council sets an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long-term liabilities for 3 financial years.</p>	<p>Borrowing Other long term liabilities Total</p>	<p>£321.3m</p> <p>£30.0m</p> <hr/> <p>£351.3m</p>	<p>£321.3m</p> <p>£30.0m</p> <hr/> <p>£351.3m</p>	<p>£352.0m</p> <p>£30.0m</p> <hr/> <p>£382.0m</p>	<p>£351.9m</p> <p>£30.0m</p> <hr/> <p>£381.9m</p>	<p>£348.1m</p> <p>£30.0m</p> <hr/> <p>£378.1m</p>	<p>£343.9m</p> <p>£30.0m</p> <hr/> <p>£373.9m</p>

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6b	<p>Operational Boundary for external debt</p> <p>The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed authority limit. It is a direct link between the Council's plans for capital expenditure; our estimates of the capital financing requirement; and estimated operational cash flow for the year.</p>	Borrowing Other long term liabilities Total	£311.3m	£311.3m	£342.0m	£341.9m	£338.1m	£333.9m
			£10.0m	£10.0m	£10.0m	£10m	£10.0m	£10.0m
			<u>£321.3m</u>	<u>£321.3m</u>	<u>£352.0m</u>	<u>£351.9m</u>	<u>£348.1m</u>	<u>£343.9m</u>
7	Adoption of the CIPFA Code of Practice for Treasury Management in Public Services		✓					
8a	<p>Upper limit for fixed interest rate exposure</p> <p>The Council sets limits to its exposures to the effects of changes in interest rates for 3 years. The Council should not be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts.</p>		116%	126%	110%	109%	109%	107%
8b	<p>Upper limit for variable rate exposure</p> <p>The Council sets limits to its exposures to the effects of changes in interest rates for 3 years. The Council should not be overly exposed to fluctuations in interest rates which can have an</p>		-16%	-26%	-10%	-9%	-9%	-7%

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	adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts.							
9	<p>Upper limit for total principal sums invested for over 364 days</p> <p>The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year. The limits are set as a percentage of the average balances of the investment portfolio.</p>		£0	£0	£0	£0	£0	£0
10	<p>Maturity structure of new fixed rate borrowing</p> <p>To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long-term loans mature in different periods thus spreading the risk.</p>	Maturity profile of debt against approved limits	Maturity Profile	Debt (£)	Debt (£)	Approved Minimum Limit	Approved Maximum Limit	
			Less than 1 yr	£10.0m	4%	0%	30%	
			1 to 2 yrs	£7.0m	3%	0%	30%	
			2 to 5 yrs	£20.0m	8%	0%	40%	
			5 to 10 yrs	£30.9m	12%	0%	40%	
			10 yrs and above	£186.2m	73%	30%	90%	
			Total	£254.1m	100%	-	-	