

PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS
2020/21 – 31 DECEMBER 2021

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits – the Authorised Limit and the Operational Boundary - as detailed below. The Council approved the Treasury and Prudential Indicators (affordability limits), for the 2020/21 financial year at Council on 25 February 2020 in the Treasury Management Strategy Statement. At Quarter 2 the Authorised Borrowing limit was reduced mainly due to the suspension of the Commercialisation Investment Strategy.

The main purpose of the indicators is to control how much a Council needs to borrow.

In 2020/21, The Treasury Management Strategy Statement approved the capital financing requirement at £86,073,196 on which gives the Council the ability to either use surplus funds to support the capital expenditure or to take external borrowing. At Quarter 3, this was revised to £51,994,108.

The Prudential and Treasury Indicators are detailed below as approved at Council prior to the beginning of the 2020/21 financial year – Original Budget - and Quarter 3 Actual:

1. PRUDENTIAL INDICATORS	2020/21	2020/21
Extract from budget and rent setting report	Original Budget	Actual Q3
	£'000	£'000
Capital Expenditure	51,571	19,746
Capital Financing Requirement 31 March 2021	86,073	51,994
Capital Financing Requirement – Brought Forward	56,220	41,737
Capital Financing Requirement – Council Services	14,929	10,257
Capital Financing Requirement – Commercial Activities	14,924	-
Annual Change in the Capital Financing Requirement	-	(34,079)
In year borrowing requirement	34,300	6,000
Brought forward 1 April	34,700	27,700
Carried forward 31 March	69,000	33,700
Ratio of financing costs to net revenue stream	12.00%	4.34%

2. TREASURY MANAGEMENT INDICATORS	2020/21	2020/21
	Original Budget	Actual Q3
	£'000	£'000
Authorised Limit for external debt	90,000	62,500
Operational Boundary for external debt	88,400	55,600
External debt	69,000	27,700
Investments	2,229	17,590

Maturity structure of fixed rate borrowing during 2020/21	Lower limit	Upper limit
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%