

**PROPOSED CHANGES TO THE CAPITAL PROGRAMME:**

- 1.1 The proposed changes to the capital programme, detailed for each of the portfolio areas are listed below:
- 1.2 Leisure & Environment – 10 schemes affect the capital programme at quarter 3:
- (a) Stokesley Leisure Centre Improvement Scheme – An additional budget of £7,680 is required for dryside flooring, additional drainage and plumbing in the wet and dry side changing rooms.
  - (b) Stokesley Leisure Centre Re-Design of Reception Area - £15,000 is to roll forward to 2017/18 as the work is planned to take place alongside the Hambleton Improvement Scheme.
  - (c) Leisure Centre Automatic Doors - £30,000 is to roll forward to 2017/18 as the work is planned to take place alongside the Hambleton Improvement Scheme.
  - (d) Forum – Capital Repairs - £41,300 is to roll forward to 2017/18 as further discussions are planned with the Forum to develop the priority projects that have been identified to enable the project to start in 2017/18.
  - (e) Bedale Public Art – the total cost of this project is £50,000 and £35,000 will be coming from a Section 106 Agreement and £15,000 will be grant funding from the Arts Council. Expenditure of £5,500 is required in 2016/17 and will be funded by the Arts Council and the rest of the expenditure will be spent in 2017/18.
  - (f) Waste and Street Scene – Telematics – project will not be completed in 2016/17 due to service pressures which have led to delays in the work being carried out by Harrogate Borough Council. This affects the project as Hambleton District Council are working closely with them to establish the best approach to improve efficiency and health and safety in waste collection therefore it is requested to roll forward £12,050 to 2017/18.
  - (g) Waste & Street Scene – Training Room – this scheme is overspent due to Building Control requirements and additional Health and Safety measures regarding fire resistance work. An additional £5,090 is required for the additional work.
  - (h) Bedale Sweeper Shed – An additional budget of £6,800 is required as asbestos was found during a routine survey. The additional budget will be used for the removal of the asbestos by an approved contractor.
  - (i) CCTV Camera Replacement Programme/wireless network & upgrade - £5360 is to roll forward to 2017/18 as it is required for retention.
  - (j) Roller Shutter Doors – Depot – this is a new scheme as work is required following a health and safety assessment. The cost of the scheme is £8,000 and will be funded from a saving from the Roller Shutter Door – Workspaces of £2,000 and also from an underspend from Workspaces Air Con Refurbishments of £5,480. The remaining £520 will be funded from capital receipts

1.3 Economy & Planning – 11 schemes affect the capital programme at quarter 3:

- (a) Public Lighting Replacement - £10,000 is required to roll forward as there has been slower progress on site due to delays by the electricity company Northern Grid. This has resulted in delays in processing Streetworks licences.
- (b) Public Lighting Energy Reductions – This scheme is now complete and the underspend of £622 is to be returned to the fund.
- (c) Air Conditioning – Legislation Requirement Corporate – This scheme is still in progress and a saving of £9,000 has been identified which will fund the Combined Heat and Power Unit at Bedale Leisure Centre.
- (d) Combined Heat and Power Unit at Bedale Leisure Centre – This is a new scheme as the Combined Heat and Power Unit at Bedale Leisure Centre has stopped working and requires a major mechanical overhaul. The cost of this will be £9,000 and will be funded from the saving identified in Air Conditioning – Legislation Requirement Corporate.
- (k) Civic Centre – Disabled Access Doors and Ramp – £11,000 additional budget is required to complete this scheme and undertake additional works to the entrance steps. A saving of £11,000 will be made on the Civic Centre Toilet Part 2 scheme to finance the additional spend.
- (l) Civic Centre Toilets Part 2 – A saving of £11,000 will be made on this scheme and this will finance the additional works that are being made to the Disabled Access Door and Ramp at the Civic Centre.
- (m) Bedale Gateway Car Park - £530,380 to be rolled forward to 2017/18. Planning permission has been granted in October 2016. A further Cabinet report will be considered in February 2017 and it will confirm the next actions on this scheme.
- (n) Workspace Air Con Refurbishments – This scheme is now complete and the saving of £5,480 will partly fund the Roller Shutter Doors at the Depot.
- (o) Workspaces Health and Safety Aspects - £18,000 to roll forward to 2017/18 to implement the project.
- (p) Workspaces Roller Shutter Doors – The work that is to be carried out on this scheme will cost £6,000. The remaining budget of £2,000 will be used to partly finance the Roller Shutter Doors at the Depot
- (q) Disabled Facilities Grant – An additional £99,821 external funding has been received from the Better Care Fund and therefore this scheme has been increased. The Hambleton District Council funding of £50,000 has been returned to the fund as this is no longer needed. Expenditure is anticipated to be £385,723, however this includes a £49,526 repayment to NYCC following the approval of the project resulting in £336,197 available for DFG grants in 2016/17.

1.4 Finance – 3 schemes affect the capital programme at quarter 3

- (a) Information Communications Technology Improvements – A total of £40,000 is required to be rolled forward into 2017/18. This is due to PC Replacements of £20,000 not being required in 2016/17 and also £20,000 for Storage and Backup. It has also been identified that £16,486 can be returned to the Computer Fund as this is no longer required.

- (b) Information Communications Technology Leisure Improvements – A number of Information Communications Technology leisure projects that total £56,745 will not be completed in this financial year so will be rolled forward to 2017/18.
- (c) Information Communications Technology Geographic Information System Upgrade – This scheme is now complete and there is an underspend of £2,032 that is to be returned to the Fund.

1.5 Economic Development Fund – 9 schemes affect the capital programme at quarter 3:

- (a) Economic Development Improvement Infrastructure Central Northallerton – Additional £37,540 is required for the Demolition Consultant costs and also additional demolition contract works at the Prison Site due to asbestos. These costs will be funded from the Economic Development Fund.
- (b) Market Towns Investment Plans – Bedale - £5,000 to roll forward as only the Vibrant Market Towns officer work to be undertaken in 2016/17
- (c) Market Towns Investment Plans – Easingwold - £6,000 to roll forward as only the Vibrant Market Towns officer work to be undertaken in 2016/17
- (d) Market Towns Investment Plans – Northallerton - £10,000 to roll forward as only the Vibrant Market Towns officer work will be undertaken in 2016/17
- (e) Market Towns Investment Plans – Stokesley - £10,000 to roll forward as only the Vibrant Market Towns officer work will be undertaken in 2016/17
- (f) Market Towns Investment Plans – Thirsk - £10,000 to roll forward as only the Vibrant Market Towns officer work will be undertaken in 2016/17
- (g) Industrial Estates/Employment Land - £75,000 to roll forward as waiting for the completion of the Local Plan implementation.
- (h) Industrial Park Review - £150,000 to be rolled forward to 2017/18 to be further developed.
- (i) Economic Development Improvement Infrastructure Dalton Bridge – An additional £3,000 is required for additional legal fees for Grants and S278 agreement review. The additional costs will be funded from the Economic Development Fund. £20,000 expenditure and corresponding income will no longer be processed through Hambleton District Council as it is now going to be a direct payment between the businesses.

1.6 Finance – 1 scheme affects the capital programme at quarter 3:

- (a) Loan to Local Housing Association – Further tranches of loans have been drawn earlier than expected in quarter 3 to the value of £1,200,000. The total amount borrowed by the Local Housing Association in 2016/17 is £16,200,000.

1.7 Capital schemes are monitored on a monthly basis and reported to Cabinet quarterly, ensuring that the majority of schemes are held within budget or reported to Council at the earliest opportunity.

1.8 New Schemes added to the capital programme all have supporting Project Initiation Documentation to ensure projects are affordable, sustainable and prudent.

## TREASURY MANAGEMENT POSITION 2016/17 – QUARTER 3 UPDATE

### 1.0 LEGISLATIVE REQUIREMENT

- 1.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 Accordingly, treasury management is defined as:
- “The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 1.4 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management recommends that Members be updated on Treasury Management activities regularly (Treasury Management Strategy Statement, Annual and Mid-Year reports, as well a quarterly updates). This report therefore ensures this council is implementing best practice in accordance with the code.
- 1.5 The Council's capital expenditure plans at Quarter 3 are financed by either external grants or contributions, capital receipts received in the year, capital reserves or borrowing.
- 1.6 During 2016/17 the Council supported the loan to the Local Housing Association by short term borrowing. This was repaid in quarter 2 and the council used surplus funds to fund the expenditure. Due to the overall financial position and the underlying need to borrow for capital purposes, external borrowing of £1,200,000 was undertaken in September 2016 from the Public Works Loan Board at a rate of 1.05% over 5 years.
- 1.7 The capital financing requirement, which indicates the total amount of borrowing that can be taken and is potentially required to support the capital expenditure programme, is set at £25,000,000. The capital expenditure of the Council is however mainly supported by grants, contributions and reserves.
- 1.8 The following table shows the treasury management position as at 31 December 2016:-

	<b>31 Dec 16</b>	<b>Rate</b>
	<b>£000's</b>	<b>%</b>
<b>Capital Financing Requirement</b>	25,000	
<b>Borrowing</b>	1,200	1.05
<b>Investments</b>	7,490	0.44

Table 1: Borrowing and Investment position at 31 December 2016

- 1.9 The table shows that changes in the capital expenditure programme only affects the treasury management position through the surplus funds that are available to the Council to invest, to earn investment income. The loan to the local Housing Association has been supported by surplus funds, including a further £1,200,000 in quarter 3, resulting in a total of £26,200,000 being loaned to the Housing Association to date. Therefore the investment position at 31 December 2016 of £7,490,000 is lower compared to the position at 31 December 2015 of £24,660,000.

## **2.0 THE ECONOMY, INTEREST RATES AND TREASURY MANAGEMENT STRATEGY:**

- 2.1 The economic background and interest rate forecast, which sets the environment in which the Council's treasury management operates, is attached at Annex D.

## **3.0 ANNUAL INVESTMENT STRATEGY 2016/17 – Quarter 3:**

- 3.1 **Investment Policy** – the Council's investment policy is governed by the Department for Communities and Local Government guidance, which was implemented in the Treasury Management Strategy Statement (TMSS) for 2016/17, and includes the Annual Investment Strategy approved by Cabinet on 9 February 2016. It sets out the Council's investment priorities as being:
- Security of capital;
  - Liquidity;
  - Yield
- 3.2 The Council's priority is security of its surplus funds when investing with financial institutions. However the Council will always aim to achieve the optimum return (yield) on investments in line with its risk appetite and which is commensurate with proper levels of liquidity and security. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months. Investment are placed with highly credit rated financial institutions, using the Council's treasury Management advisers – Capita Asset Services - suggested creditworthiness approach including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Capita Asset Services.
- 3.3 **Investments held by the Council** – As set out in Annex D, investment rates available in the market were broadly stable during the first half of the quarter but then took a slight downward path in the second half concluding with a significant drop after the referendum based on a sharp rise in expectations of an imminent cut in Bank Rate and "lower for longer" expectations thereafter.
- 3.4 The average level of funds available for investment purposes during quarter 3 – 31 December 2016 - was £14,445,145. The level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The Council held cash flow movement balances of £7,490,000 at 31 December 2016.
- 3.5

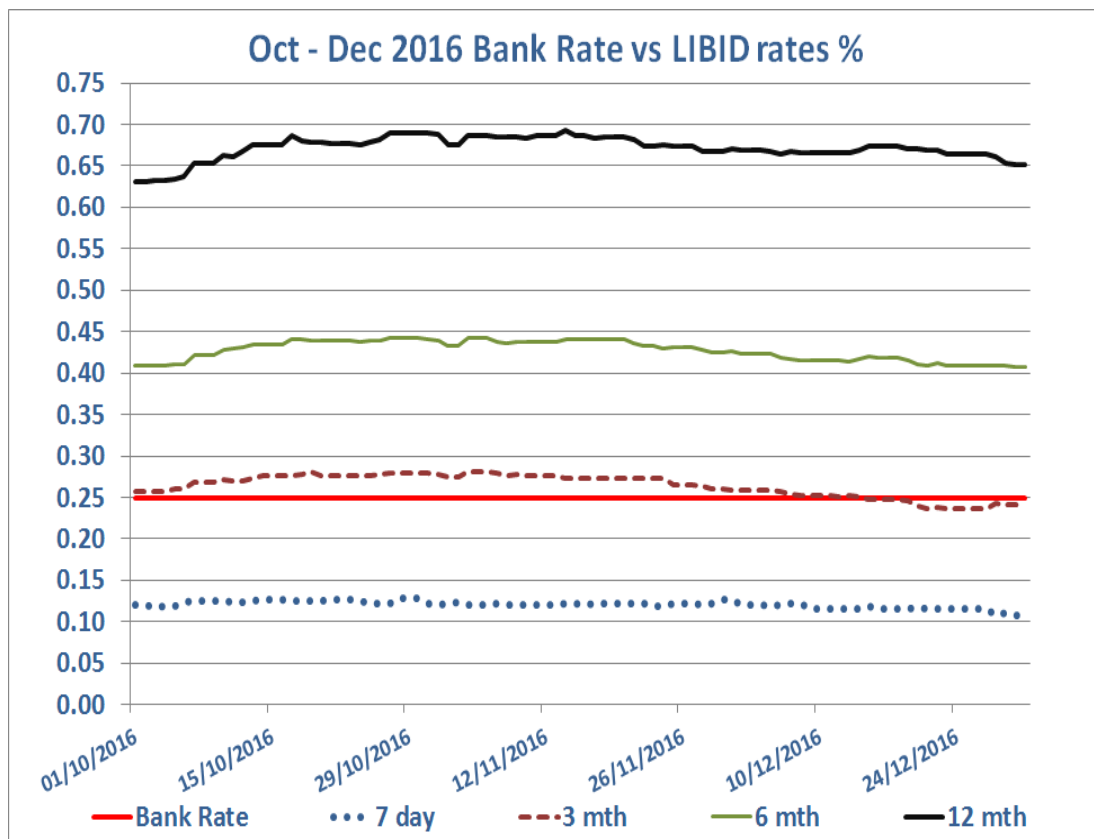
Benchmark	Benchmark Return	Council Performance	Investment Interest Earned
7 day	0.12%	0.35%	£20,643
3 month	0.26%	0.59%	£27,446

Table 2: Investment performance for quarter 3 at 31 December 2016

- 3.6 The table shows that the Council monitors its core cash against 3 month LIBID – London Inter Bank Investment Rates – and its cash flow investments against the 7 day rate. The Council outperformed the 3 month benchmark by 0.33% and the 7 day benchmark by 0.23%.
- 3.7 The Council's budgeted investment return for 2016/17 was approved at £94,500. This was reduced by £51,330 in Quarter 1 to £43,170. This was due to the use of the Council's surplus funds to support the capital expenditure loan to the local Housing Association, therefore a lower amount of investment interest is earned. This will be continue to be closely monitored as if the expected Bank of England Base Rate is reduced the rates available to the council will also be affected. The interest earned from the Housing Association Loans is estimated to be £1,038,390 in 2016/17.

#### 4.0 **BORROWING 2016/17 – Quarter 3 Update**

- 4.1 As depicted in the graph(s) below, there has been significant volatility in Public Works Loan Board rates during quarter 3 as rates rose from historically very low levels at the beginning of the quarter but then fell back somewhat towards the end of December 2016..



Graph 1: Public Works Loan Board (PWLB) Interest rates for Quarter 3 of 2016/17

- 4.2 During the quarter ended 31 December 2016, the 50 year PWLB target (certainty) rate for new long term borrowing started at 2.10% and ended at 2.70%. Capital Asset Services – the Council's treasury management advisers – review this rate on a regular basis and therefore this will be closely monitored in the coming weeks with regards to the general volatility on the market.

- 4.3 The table below shows the Public Works Loans Board interest rates which were available for loans during quarter 3 of 2016/17. The Public Works Loans Board is the mechanism by which the Government allows local authorities to borrow at slightly lower interest rates than are available to other institutions. Certainty rates, as detailed in the table, are interest rates available to local authorities if they inform the Government of their borrowing requirements at the beginning of the financial year and are 0.02% (or 20 basis points) below Public Works Loans Board rates. This was introduced by the Government in October 2012.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.76%	1.04%	1.56%	2.32%	2.15%
Date	28/12/2016	03/10/2016	03/10/2016	03/10/2016	04/10/2016
High	0.99%	1.58%	2.34%	2.97%	2.72%
Date	26/10/2016	14/11/2016	12/12/2016	12/12/2016	12/12/2016
Average	0.88%	1.40%	2.09%	2.74%	2.51%

Table 3: Public Works Loan Board (PWLB) certainty rates, quarter ended 31 December 2016

- 4.4 **Treasury Borrowing** – Due to the overall financial position and the underlying need to borrow for capital purposes, external borrowing of £1,200,000 was undertaken in September 2016 from the Public Works Loan Board at a rate of 1.05% over 5 years.
- 4.5 It is anticipated that further borrowing will be undertaken in quarter 4 of this financial year.
- 4.6 **Rescheduling of Borrowing** – the Council had no debt that could be rescheduled in quarter 3 of 2016/17 under the regulations.
- 4.7 **Repayment of Borrowing** – the council repaid a short term loan of £15,000,000 in quarter 2 of 2016/17. There were no repayments in quarter 3 of 2016/17.

## 5.0 **COMPLIANCE WITH PRUDENTIAL AND TREASURY INDICATORS:**

- 5.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) were approved in the Treasury Management Strategy Statement by Council on 25 February 2016 and are in compliance with the Council's Treasury Management Practices. No changes have been made or are required to be made in the first nine months of 2016/17 to the Prudential and Treasury Indicators that were set prior to the beginning of the financial year.
- 5.2 During the financial year to date the Council has operated within the Treasury and Prudential Indicators approved which are attached at Annex E.
- 5.3 Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 31 December 2016.

## **Economic Update**

### **1.1 ECONOMIC BACKGROUND**

UK Gross domestic product growth rate in 2013 of 2.2% and 2.9% in 2014 were strong but 2015 was disappointing at 1.8%, though it still remained one of the leading rates among the G7 countries. Growth has been fairly robust at +0.6% quarter on quarter, +2.2% year on year in quarter 3 of 2016 to confound the pessimistic forecasts by the Bank of England in August and by other forecasters, which expected to see near zero growth during 2016 after the referendum. Prior to the referendum, the UK economy had been facing headwinds for exporters from the appreciation of sterling against the Euro plus weak growth in the EU, China and emerging markets, and the dampening effect of the Government's continuing austerity programme. The referendum vote for Brexit in June this year delivered an immediate shock fall in confidence indicators and business surveys, pointing to an impending sharp slowdown in the economy. However, there was then a sharp recovery in confidence and business surveys and the fall in the value of sterling has had a positive effect in boosting manufacturing in the UK due to improved competitiveness in world markets.

The Bank of England meeting on 4 August addressed its forecast of a slowdown in growth by a package of measures including a cut in Bank Rate from 0.50% to 0.25%. The Inflation Report cut the forecast for growth in 2017 from 2.3% to just 0.8%. The Governor of the Bank of England, Mark Carney, had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. While the Monetary Policy Committee was prepared to cut Bank Rate again by the end of 2016, Carney also warned that the Bank could not do all the heavy lifting and suggested that the Government would need to help growth by increasing investment expenditure and possibly by using fiscal policy tools (taxation). The new Chancellor Phillip Hammond announced after the referendum result, that the target of achieving a budget surplus in 2020 would be eased in the Autumn Statement on 23 November and which he duly delivered.

The robust growth in quarter 3 of +0.6%, plus forward indicating business surveys also being very positive on growth, caused the Monetary Policy Committee in November to pull back from another cut in Bank Rate. The November Inflation Report also included a forecast for inflation to rise to around 2.7% in 2018 and 2019, well above its 2% target, due to a sharp rise in the cost of imports as a result of the sharp fall in the value of sterling after the referendum. However, the Monetary Policy Committee is expected to look thorough a one off upward blip from this devaluation of sterling in order to support economic growth, especially if pay increases continue to remain subdued and therefore pose little danger of stoking core inflationary price pressures within the UK economy.

The American economy had a patchy 2015 with sharp swings in the growth rate leaving the overall growth for the year at 2.4%. Growth in quarter 1 of 2016 of +0.8% on an annualised basis, and quarter 2 at +1.4%, was disappointing. However, quarter 3 came in very strongly at +3.5% and forward indicators are pointing towards robust growth in 2017, especially if Trump's expansionary plans are put into effect.

The Fed embarked on its long anticipated first increase in rates at its December 2015 meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more downbeat news on the international scene and then the Brexit vote, caused a delay in the timing of the second increase of +0.25% until this December's meeting. Three or four further increases are now expected in both 2017 and 2018.



In the Eurozone, the European Central Bank commenced in March 2015 its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month; this was intended to run initially to September 2016 but was extended to March 2017 at its December 2015 meeting. At its December 2015 and March 2016 meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March 2016 meeting, it also increased its monthly asset purchases to €80bn. In December 2016, it extended its quantitative easing programme; monthly purchases at €80bn will continue to March 2017 and then continue at €60bn until December 2017. These measures have struggled to make a significant impact in boosting economic growth and in helping inflation to rise from around zero towards the target of 2%. Gross domestic product growth rose by 0.6% in quarter 3 2016 (1.7% year on year) but forward surveys are, at last, positive about a modest upturn to growth while inflation has also started to increase significantly. There have been many comments from forecasters that central banks around the world are running out of ammunition to stimulate economic growth and to boost inflation. They stress that national governments will need to do more by way of structural reforms, fiscal measures and direct investment expenditure to support demand in their economies and economic growth.

Japan has struggled for many years to boost anaemic growth despite massive fiscal and monetary stimulus, but quarter 3 came in at +2.7% year on year. Chinese economic growth has been weakening and medium term risks have been increasing.

## 1.2 INTEREST RATE FORECAST

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
<b>Bank rate</b>	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
<b>5yr PWLB rate</b>	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
<b>10yr PWLB rate</b>	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
<b>25yr PWLB rate</b>	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
<b>50yr PWLB rate</b>	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%

The Monetary Policy Committee cut Bank Rate from 0.50% to 0.25% on 4 August in order to counteract what it forecast was going to be a sharp slowdown in growth in the second half of 2016. It also gave a strong steer that it was likely to cut Bank Rate again by the end of the year. However, economic data since August has indicated much stronger growth in the second half 2016 than that forecast; also, inflation forecasts have risen substantially as a result of a continuation of the sharp fall in the value of sterling after early August. Consequently, Bank Rate was not cut again in November or December and, on current trends, it now appears unlikely that there will be another cut, although that cannot be completely ruled out if there was a significant dip downwards in economic growth. During the two-year period 2017 – 2019, when the UK is negotiating the terms for withdrawal from the EU, it is likely that the Monetary Policy Committee will do nothing to dampen growth prospects, (i.e. by raising Bank Rate), which will already be adversely impacted by the uncertainties of what form Brexit will eventually take. Accordingly, a first increase to 0.50% is not tentatively pencilled in, as in the table above, until quarter 2 2019, after those negotiations have been concluded, (though the period for negotiations could be extended). However, if strong domestically generated inflation (e.g. from wage increases within the UK), were to emerge, then the pace and timing of increases in Bank Rate could be brought forward.

**PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS**

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 2016/17 financial year at Council on 25 February 2016 in the Treasury Management Strategy Statement.

The main purpose of the indicators is to control how much a Council needs to borrow. In 2016/17, The Treasury Management Strategy Statement approved the capital financing requirement at £25 million which gives the Council the ability to either use surplus funds to support the capital expenditure for the loan to a local Housing Association or for other capital expenditure purposes or to take external borrowing.

The Prudential and Treasury Indicators are detailed below as approved at Council prior to the beginning of the 2016/17 financial year – Original Budget - and at Q3 Actual:

<b>1. PRUDENTIAL INDICATORS</b>	<b>2016/17</b>	<b>2016/17</b>
<b>Extract from budget and rent setting report</b>	<b>Original Budget</b>	<b>Actual Q3</b>
	<b>£'000</b>	<b>£'000</b>
<b>Capital Expenditure</b>	20,530	19,187
<b>Ratio of financing costs to net revenue stream</b>	Nil	Nil
<b>Net borrowing requirement General Fund</b>		
brought forward 1 April	Nil	Nil
carried forward 31 March	25,000	25,000
in year borrowing requirement	25,000	25,000
<b>Capital Financing Requirement 31 March 2017</b>	25,000	25,000
<b>Incremental impact of capital investment decisions</b>	£	£
Increase in Council Tax (band D) per annum	Nil	Nil

<b>2. TREASURY MANAGEMENT INDICATORS</b>	<b>2016/17</b>	<b>2016/17</b>
	<b>Original Budget</b>	<b>Actual Q3</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised Limit for external debt -</b>		
borrowing	£35,000	£35,000
other long term liabilities	£1,000	£1,000
<b>TOTAL</b>	<b>£36,000</b>	<b>£36,000</b>
<b>Operational Boundary for external debt -</b>		
borrowing	£29,000	£29,000
other long term liabilities	£600	£600
<b>TOTAL</b>	<b>£29,600</b>	<b>£29,600</b>
<b>Actual external debt</b>	<b>£0</b>	<b>£1,200</b>

<b>Upper Limit on fixed interest rates based on net debt</b>	106%	106%
<b>Upper Limit on variable interest rates based on net debt</b>	-6%	-6%
<b>Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	£9,000	£9,000

<b>Maturity structure of fixed rate borrowing during 2014/15</b>	Lower limit	Upper limit
<b>Under 12 months</b>	<b>0%</b>	<b>100%</b>
<b>12 months to 2 years</b>	<b>0%</b>	<b>100%</b>
<b>2 years to 5 years</b>	<b>0%</b>	<b>100%</b>
<b>5 years to 10 years</b>	<b>0%</b>	<b>100%</b>
<b>10 years to 20 years</b>	<b>0%</b>	<b>100%</b>
<b>20 years to 30 years</b>	<b>0%</b>	<b>100%</b>
<b>30 years to 40 years</b>	<b>0%</b>	<b>20%</b>
<b>40 years to 50 years</b>	<b>0%</b>	<b>20%</b>