

Prudential and Treasury Management Indicators 2020/21 – 30 June 2020

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.

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.

The indicators provide information on the Council's general and commercial activities. At quarter 1 no commercial activity had occurred.

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 1 Actual:

1. PRUDENTIAL INDICATORS	2020/21	2020/21
Extract from budget and rent setting report	Original Budget	Actual Q1
	£'000	£'000
Capital Expenditure	51,571	52,234
Capital Financing Requirement 31 March 2021	86,073	86,179
Capital Financing Requirement – Brought Forward	56,220	41,560
Capital Financing Requirement – Council Services	14,929	14,619
Capital Financing Requirement – Commercial Activities	14,924	30,000
Annual Change in the Capital Financing Requirement	-	106
In year borrowing requirement	34,300	30,000
Brought forward 1 April	34,700	27,700
Carried forward 31 March	69,000	57,700
Ratio of financing costs to net revenue stream	12.00%	12.00%

2. TREASURY MANAGEMENT INDICATORS	2020/21	2020/21
	Original Budget	Actual Q1
	£'000	£'000
Authorised Limit for external debt	90,000	90,000
Operational Boundary for external debt	88,400	88,400
External debt	69,000	27,700
Investments	2,229	16,250

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%