

EXTERNAL DEBT INDICATORS

1

Authorised Limit for External Debt (including PFI)							
			2018-19 £000s Approved	2018-19 £000s Revised	2019-20 £000s Estimate	2020-21 £000s Estimate	2021-22 £000s Estimate
Borrowing			461,000	318,000	413,000	462,000	509,000
Other Long Term Liabilities			127,000	122,000	110,000	95,000	82,000
TOTAL AUTHORISED LIMIT			588,000	440,000	523,000	557,000	591,000

The Authorised Limit for External Debt sets the maximum level of external borrowing that the Council can incur. It reflects the level of borrowing which, while not desired, could be afforded in the short-term, but is not sustainable. It is the Council's expected maximum borrowing need with headroom for unexpected cashflow. The limit also provides scope for the Council to borrow in advance of need. Other long-term liabilities include items such as PFI schemes and finance leases.

2

Operational Boundary for External Debt (including PFI)							
			2018-19 £000s Approved	2018-19 £000s Revised	2019-20 £000s Estimate	2020-21 £000s Estimate	2021-22 £000s Estimate
Borrowing			431,000	298,000	383,000	432,000	479,000
Other Long Term Liabilities			117,000	112,000	100,000	85,000	72,000
TOTAL OPERATIONAL BOUNDARY			548,000	410,000	483,000	517,000	551,000

The Operational Boundary for External Debt is based on the probable external debt during the course of the year. It is not a limit and actual borrowing could vary around this boundary for short times during the year. It acts as an early warning indicator to ensure the authorised limit is not breached. Similarly to the authorised limit it also provides scope for the Council to borrow in advance of need. Other long-term liabilities include items such as PFI schemes and finance leases.

3

Actual External Debt (including PFI)						
						31.3.18 £000s Actual
Borrowing						258,000
Other Long Term Liabilities						122,000
TOTAL EXTERNAL DEBT						380,000

This is the actual external debt that the Council held at 31st March 2018
Other long-term liabilities include items such as PFI schemes and finance leases.

TREASURY MANAGEMENT INDICATORS

4

Adoption of CIPFA's Treasury Management Code of Practice	
	The Council formally adopted CIPFA's Code of Practice on Treasury Management on 26th February 2002 and CIPFA's revised Code of Practice on Treasury Management on 25th February 2010.

5

Maturity Structure of New Fixed Rate Borrowing							
					31.3.18 Existing (Benchmark) Level %	2019-20 Upper Limit %	2019-20 Lower Limit %
Under 12 months					5.0%	100%	4%
12 months and within 24 months					8.0%	100%	17%
24 months and within 5 years					12.0%	100%	15%
5 years and within 10 years					16.0%	100%	10%
10 Years and within 20 years					24.0%	100%	19%
More than 20 years					35.0%	100%	35%

These limits are set to reduce the Council's exposure to large fixed rate sums of borrowing falling due for refinancing in any one year.

Upper Limit for Total Principal Sums Invested for over 364 Days

			2018-19 £000s Approved	2018-19 £000s Revised	2019-20 £000s Estimate	2020-21 £000s Estimate	2021-22 £000s Estimate
6	Total principal sum invested		55,000	50,000	50,000	50,000	50,000

These limits are set to reduce the need for the early sale of an investment, and are based on the availability of investments at each year-end.

Credit Risk

- 7 The Council considers security, liquidity & yield in that order when making investment decisions. It uses credit ratings along with a range of other criteria such as sovereign support mechanisms, credit default swaps & share prices to assess the credit strength of a counterparty. A full description of credit criteria used is included in section 3.6 of the Strategy Statement of the Councils Treasury Management

Interest Rate Exposure

	2019/20 Limit £'000s
8	
Upper limit on one-year revenue impact of a 1% rise in interest rates	5,682
Upper limit on one-year revenue impact of a 1% fall in interest rates	3,788

This indicator is set to control the Council's exposure to interest rate risk, on the assumption that maturing loans and investments will be replaced at current rates.