

APPENDIX 1

Performance against Treasury Management Indicators agreed in Treasury Management Strategy Statement

1. Authorised limit for external debt

These limits include current commitments and proposals in the budget report for capital expenditure, plus additional headroom over & above the operational limit for unusual cash movements.

	2010/11 Prudential Indicator	2010/11 Actual as at 30th Jun. 2010
	£'000	£'000
Borrowing	115,000	90,000
Other long term liabilities	3,000	0
Cumulative Total	118,000	90,000

2. Operational limit for external debt

The operational boundary for external debt is based on the same estimates as the authorised limit but without the additional headroom for unusual cash movements.

	2010/11 Prudential Indicator	2010/11 Actual as at 30th Jun. 2010
	£'000	£'000
Borrowing	105,000	90,000
Other long term liabilities	2,000	0
Cumulative Total	107,000	90,000

3. Upper limit for fixed interest rate exposure

This is the maximum amount of total borrowing which can be at fixed interest rate, less any investments for a period greater than 12 months which has a fixed interest rate.

	2010/11 Prudential Indicator	2010/11 Actual as at 30th Jun. 2010
	£'000	£'000
Fixed interest rate exposure	107,000	70,000*

* The £20m of LOBO's are quoted as variable rate in this analysis as the Lender has the option to change the rate at 6 monthly intervals (the Council has the option to repay the loan should the rate increase)

4. Upper limit for variable interest rate exposure

While fixed rate borrowing contributes significantly to reducing uncertainty surrounding interest rate changes, the pursuit of optimum performance levels may justify keeping flexibility through the use of variable interest rates. This is the maximum amount of total borrowing which can be at variable interest rates less any investments at variable interest rates (this includes any investments that have a fixed rate for less than 12 months).

	2010/11 Prudential Indicator	2010/11 Actual as at 30th Jun. 2010
	£'000	£'000
Variable interest rate exposure	20,000	-73,900

5. Upper limit for total principal sums invested for over 364 days

Given the Councils' financial position, i.e. of having low cash balances, any lending is likely to be the result of the phasing of cash flow. Investment periods are unlikely to be more than 6 months. This is the maximum % of total investments which can be over 364 days.

	2010/11 Prudential Indicator	2010/11 Actual as at 30th Jun. 2010
	%	%
Investments over 364 days	25	0

6. Maturity Structure of new fixed rate borrowing during 2010/11

	Upper Limit	Lower Limit	2010/11 Actual as at 30th Jun. 2010
	%	%	%
Under 12 months	50	Nil	0
12 months and within 24 months	50	Nil	0
24 months and within 5 years	50	Nil	0
5 years and within 10 years	50	Nil	0
10 years and above	100	Nil	100