

## 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.

	<b>2013/14 Prudential Indicator</b>	<b>2013/14 Actual as at 30<sup>th</sup> Jun. 2013</b>
	£'000	£'000
Borrowing	201,000	120,000
Other long term liabilities	2,000	0
<b>Cumulative Total</b>	<b>203,000</b>	<b>120,000</b>

#### 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.

	<b>2013/14 Prudential Indicator</b>	<b>2013/14 Actual as at 30<sup>th</sup> Jun. 2013</b>
	£'000	£'000
Borrowing	167,000	120,000
Other long term liabilities	2,000	0
<b>Cumulative Total</b>	<b>169,000</b>	<b>120,000</b>

#### 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.

	<b>2013/14 Prudential Indicator</b>	<b>2013/14 Actual as at 30<sup>th</sup> Jun. 2013</b>
	£'000	£'000
<b>Fixed interest rate exposure</b>	<b>201,000</b>	<b>100,000*</b>

\* 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.

	<b>2013/14 Prudential Indicator</b>	<b>2013/14 Actual as at 30<sup>th</sup> Jun. 2013</b>
	£'000	£'000
<b>Variable interest rate exposure</b>	<b>60,000</b>	<b>20,000</b>

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

This is the maximum amount of total investments which can be over 364 days. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

	<b>2013/14 Prudential Indicator</b>	<b>2013/14 Actual as at 30<sup>th</sup> Jun. 2013</b>
	£'000	£'000
<b>Investments over 364 days</b>	<b>50,000</b>	<b>5</b>

### 6. Maturity Structure of new fixed rate borrowing during 2013/14

This indicator is set to control the Council's exposure to refinancing risk.

	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>2013/14 Actual as at 30<sup>th</sup> Jun. 2013</b>
	%	%	%
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

### 7. Average Credit Rating

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the weighted average credit rating of its investment portfolio.

	<b>2013/14 Prudential Indicator</b>	<b>2013/14 Actual as at 30<sup>th</sup> Jun. 2013</b>
	Rating	Rating
<b>Minimum Portfolio Average Credit Rating</b>	<b>A</b>	<b>AA-</b>