

Prudential Indicators - As at 31 December 2020

| Note | Prudential Indicator | 2020/21 Indicator | Quarter 3 Actual |
|-------------|---|------------------------------|-----------------------------|
| 1 | Capital Financing Requirement £'000 | 57,700 | 53,953 |
| | Gross Borrowing £'000 | 52,833 | 52,833 |
| | Investments £'000 | 49,674 | 72,833 |
| 2 | Net Borrowing £'000 | 3,159 | -20,000 |
| 3 | Authorised Limit for External Debt £'000 | 84,000 | 52,833 |
| 4 | Operational Boundry for External Debt £'000 | 79,000 | 52,833 |
| 5 | Limit of fixed interest rates based on net debt % | 100% | 100% |
| | Limit of variable interest rates based on net debt % | 30% | 0% |
| 6 | Principal sums invested for over 364 days | | |
| | 1 to 2 years £'000 | 20,000 | 0 |
| | 2 to 3 years £'000 | 15,000 | 0 |
| | 3 to 4 years £'000 | 5,000 | 0 |
| | 4 to 5 years £'000 | 5,000 | 0 |
| 7 | Maturity Structure of external debt borrowing limits | | |
| | Under 12 months % | 20% | 0.00% |
| | 1 to 2 years % | 20% | 0.00% |
| | 2 to 5 years % | 50% | 0.00% |
| | 5 to 10 years % | 50% | 0.00% |
| | 10 to 15 years % | 50% | 3.00% |
| | 15 years and above % | 90% | 97.00% |

1. Capital Financing Requirement – this is a measure of the Council's underlying need to borrow long term to fund its capital projects.

2. Net Borrowing (Gross Borrowing less Investments) – this must not except in the short term exceed the capital financing requirement.

3. Authorised Limit for External Debt – this is the maximum amount of borrowing the Council believes it would need to undertake its functions during the year. It is set above the Operational Limit to accommodate unusual or exceptional cashflow movements.

4. Operational Boundary for External Debt – this is set at the Council's most likely operation level. Any breaches of this would be reported to Councillor's immediately.
5. Limit of fixed and variable interest rates on net debt – this is to manage interest rate fluctuations to ensure that the Council does not over expose itself to variable rate debt.
6. Principal Sums Invested for over 364 days – the purpose of these limits is so that the Council contains its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of investments.
7. Maturity Structure of Borrowing Limits – the purpose of this is to ensure that the Council is not required to repay all of its debt in one year. The debt in the 15 years and over category is spread over a range of maturities from 23 years to 50 years.