

Appendix C: Prudential Indicator Compliance

Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Limits for 2018/19 %
Upper Limit for Fixed Rate Exposure	100
Compliance with Limits:	Yes
Upper Limit for Variable Rate Exposure	30
Compliance with Limits:	Yes

Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 31/07/18 £000	% Fixed Rate Borrowing as 31/07/18	Compliance with Set Limits?
Under 12 months	0	50	0	0	Yes
12 months and within 24 months	0	50	0	0	Yes
24 months and within 5 years	0	75	0	0	Yes
5 years and within 10 years	0	75	22,516	7.4	Yes
10 years and above	0	100	281,564	92.6	Yes
Total			304,080	100.0	

Capital Financing Requirement and External Debt

The table below demonstrates that capital plans for 2018/19 and associated debt are well within the agreed borrowing limit.

	Forecast for March 2019 £000
Prudential Indicator – Capital Financing Requirement (CFR)	
CFR – Non-housing	490,506
CFR – Housing	224,546
Total CFR	715,052
Prudential Indicator – The Operational Boundary for External Debt	
Borrowing	589,764
Other long-term liabilities	15,288
Total debt	605,052