

TREASURY MANAGEMENT STRATEGY 2010/11 - 2011/12

**PRUDENTIAL INDICATORS**

**Ratio of Financing Costs to Net Revenue Stream (1)**

2009/10 %	2010/11 %	2011/12 %	2012/13 %
-3.4	-1.8	-0.9	-1.3

This indicator shows the proportion of the net revenue stream (revenue budget) that is attributable to financing costs of capital expenditure. Borrowing will be needed to fund the current Capital Programme in 2011/12 and additional borrowing in 2012/13.

**Ratio of Financing Costs to Net Revenue Stream (2)**

2009/10 %	2010/11 %	2011/12 %	2012/13 %
-3.4	-1.1	-0.7	-1.5

This indicator assumes borrowing in 2010/11.

**Current Financial Plan**

2009/10 £,000	2010/11 £,000	2011/12 £,000	2012/13 £,000
14,178	9,216	8,837	4,130

This is the estimate of capital expenditure taken from the Corporate Revenue and Capital Budget 2009/10 Onwards .

**Capital Financing Requirement**

2009/10 £,000	2010/11 £,000	2011/12 £,000	2012/13 £,000
0	0	1,826	1,771

This indicator measures the underlying need to borrow for capital purposes.

**TREASURY MANAGEMENT INDICATORS**

**Authorised Limit for External Debt**

	2009/10 £,000	2010/11 £,000	2011/12 £,000	2012/13 £,000
Borrowing	4,000	8,000	8,000	8,000
Other Long Term Liabilities	100	50	0	0
Total	4,100	8,050	8,000	8,000

This limit is the main limit set as a maximum for external borrowing. It fulfils the requirements under section 3 of the Local Government Act 2003. Assumes borrowing in 2011/12 and 2012/13

**TREASURY MANAGEMENT STRATEGY 2010/11 - 2011/12**

**Operational Boundary**

	2009/10 £,000	2010/11 £,000	2011/12 £,000	2012/13 £,000
Borrowing	0	4,000	4,000	4,000
Other Long Term Liabilities	100	50	0	0
Total	100	4,050	4,000	4,000

This limit should be the focus of day to day treasury management. It is similar to the Authorised Limit but excludes the allowance for temporary cash flow borrowing as perceived as not necessary on a day to day basis.

**Upper Limit for Fixed Interest Rate Exposure**

2009/10 %	2010/11 %	2011/12 %	2012/13 %
100	100	100	100

This is the maximum amount of net borrowing and investment that can be at a fixed rate. Due to the nature of the Council's cashflows it is likely that this limit will only be approached towards the end of the financial year when there are less surplus funds available for short term investment.

**Upper Limit for Variable Interest Rate Exposure**

2009/10 %	2010/11 %	2011/12 %	2012/13 %
100	100	100	100

This is the maximum amount of net borrowing and investment that can be at a variable rate. The limit set reflects the fact that during the year there can be excess surplus funds available for short term investment. These arise from timing differences between receipts received and payments made.

**Maturity Structure of New Fixed Rate Borrowing during 2009/10**

	Upper Limit %	Lower Limit %
Under 12 months	100	0
12 months to under 24 months	100	0
24 months to under 5 years	100	0
5 years to under 10 years	100	0
10 years and over	100	0

It is may be necessary to borrow that at fixed term rates during 2010/11. This will be monitored as the year progresses and a decision will then be made.

**Principal Invested for more than 364 Days**

2009/10 %	2010/11 %	2011/12 %	2012/13 %
0	20	20	20

This indicator is set to reflect current advice from our Treasury Management Advisors.

**Actual External Debt for 2009/10**

	2009/10 £,000
Actual Borrowing	0
Other Long Term Liabilities	100
Total	100