

## TREASURY MANAGEMENT PRUDENTIAL INDICATORS FOR THE METROPOLITAN POLICE AUTHORITY

Treasury Management Indicators – Comparison of 2008-09 estimate to actual position for the 6 months to 30 September 2008

- **Gross Outstanding Borrowing.**

Limits in interest rate exposure calculated with reference to outstanding borrowing sums		
	2008/09 Estimate	2008/09 Actual to 30/09/2008
Upper limit on fixed interest rate exposures	100%	100%
Upper limit on variable interest rate exposures	15%	0%

- **Gross Outstanding Investment.**

Limits in interest rate exposure calculated with reference to outstanding investment sums		
	2008/09 Estimate	2008/09 Actual to 30/09/2008
Upper limit on fixed interest rate exposures	100%	90%
Upper limit on variable interest rate exposures	40%	24%

- **Maturity Structure of Borrowing – Upper and Lower Limits**

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate		
	Upper Limit	Actual Upper Limit
Under 12 months	30%	11.81%
12 months and within 24 months	30%	10.25%
24 months and within 5 years	30%	0.00%
5 years and within 10 years	40%	14917
10 years and above	70%	63.77%

- **Principal sums invested for periods longer than 364 days.**
- **Agreed upper limit of £40 million**
- **The MPA has adopted the CIPFA Code of Practice for Treasury Management in Public Services.**

## EXTERNAL DEBT INDICATORS

- **Authorised Limit for External Debt**

Authorised Limit for External Debt		
	2008/09 Estimate £000	2008/09 Actual to 30/09/2008 £000
Borrowing	104,395	42,338
Other long term liabilities	-	-
Total	104,395	42,338

This is the maximum amount that the authority allows itself to borrow in each year. They are based on the estimate of the most likely, prudent but not worst-case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure and estimates of cashflow requirements.

- **Operational Boundary for External Debt**

Operational Boundary for External Debt		
	2008/09 Estimate £000	2008/09 Actual to 30/09/2008 £000
Borrowing	90,778	42,338
Other long term liabilities	-	-
Total	90,778	42,338

The Operational Boundary for external debt is based on the same estimates as the Authorised Limit but reflects directly the estimate of the most likely, prudent, but not worst case scenario, without the additional headroom included within the Authorised Limit to allow for example for unusual cash movements and equates to the maximum of external debt projected by this estimate.

- **Actual External Debt**

Actual External Debt	
	2008/09 Actual £000
	42,338