

## Treasury Management Prudential Indicators for the Metropolitan Police Authority

### Treasury Management Indicators – Comparison of 2008/09 estimate to actual position for the 12 months to 31 March 2009

- **Gross Outstanding Borrowing.**

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

- **Gross Outstanding Investment.**

<b>Limits in interest rate exposure calculated with reference to outstanding investment sums</b>		
	<b>2008/09 Estimate</b>	<b>2008/09 Actual</b>
Upper limit on fixed interest rate exposures	100%	89.74%
Upper limit on variable interest rate exposures	40%	74.07%

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

<b>Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate</b>		
	<b>Upper Limit</b>	<b>Actual Upper Limit</b>
Under 12 months	30%	10.22%
12 months and within 24 months	30%	1.06%
24 months and within 5 years	30%	3.18%
5 years and within 10 years	40%	23.24%
10 years and above	70%	62.34%

- **Principal sums invested for longer than 364 days**

Agreed upper limit of £40m.

Revised treasury management strategy 2008/09 restricts all investments to short term.

Total invested for longer than 364 days: £0.

- **The MPA has adopted the CIPFA Code of Practice for Treasury Management in Public Services.**

## External Debt Indicators

- **Authorised Limit for External Debt**

<b>Authorised Limit for External Debt</b>		
	<b>2008/09 Estimate £000</b>	<b>2008/09 Actual £000</b>
Borrowing	104,400	47,338
Other long term liabilities		-
<b>Total</b>	<b>104,400</b>	<b>47,338</b>

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.**

<b>Operational Boundary for External Debt</b>		
	<b>2008/09 Estimate £000</b>	<b>2008/09 Actual £000</b>
Borrowing	90,800	47,338
Other long term liabilities		-
<b>Total</b>	<b>90,800</b>	<b>47,338</b>

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**

<b>Actual External Debt 31/3/2009</b>
<b>2008/09 Actual £000</b>
<b>47,338</b>