REPORT REFERENCE NO.	**DSFRA/15/2**
MEETING	**DEVON & SOMERSET FIRE & RESCUE AUTHORITY (BUDGET MEETING)**
DATE OF MEETING	**20 FEBRUARY 2015**
SUBJECT OF REPORT	**CAPITAL PROGRAMME 2015-16 TO 2017-18**
LEAD OFFICER	**Chief Fire Officer and Treasurer**
RECOMMENDATIONS	***(a) that, in accordance with the recommendations made by the Resources Committee at its meeting on 10 February 2015 (Minute RC/14 refers):*** ***(i) the draft Capital Programme 2015-16 to 2017-18 as detailed in the report and summarised at Appendix A to this report; and*** ***(ii) the associated Prudential Indicators as summarised at Appendix B (council tax Option A) or Appendix C (council tax Option B) to this report, as appropriate, be approved;*** ***(ii) a minimum revenue contribution of £1.737m be made from the 2015-16 revenue budget towards financing of the capital 2015-16 to 2017-18 capital programme;*** ***(b) that, pending the decision of the 2015-16 revenue budget and associated council tax levels, a further revenue contribution of £0.381m be made from the 2015-16 revenue budget towards financing of the capital 2015-16 to 2017-18 capital programme (also as recommended by the Resources Committee by virtue of recommending Option B [1.99% council tax increase] in relation to the proposed 2015-16 revenue budget – Minute RC/15 refers);*** ***(c) that the forecast impact of the proposed Capital Programme (from 2018-19 onwards) on the 5% debt ratio Prudential Indicator, as indicated in this report, be noted.***
EXECUTIVE SUMMARY	This report sets out the proposals for a three year Capital Programme covering the years 2015-16 to 2017-18 and also outlines the difficulties in meeting the full capital expenditure requirement for this Authority, given its size, number of fire stations and fire appliances required to be maintained and eventually replaced. All aspects of the programme have been considered, and been constructed based on the principle that debt charges emanating from external borrowing is kept within the 5% Prudential Indicator limit (debt charges as a percentage of the Revenue Budget).

	The Committee has been advised over recent years of the difficulties in maintaining a programme that is affordable within the 5% Prudential Indicator against a reducing revenue budget, and has supported the Treasurers recommendation that the Authority should seek alternative sources of funding other than external borrowing to support future capital investment. This report proposes – as recommended by the Resources Committee at its budget meeting on 10 February 2015 (Minute RC/14 refers) - that a minimum of £1.737m contribution be made from the 2015-16 revenue budget towards capital spending. The Resources Committee also recommended, by virtue of commending to the Authority Option B in relation to the proposed revenue budget and council tax levels for 2015-16 (1.99% council tax increase), a further revenue contribution in 2015-16 of £0.381m towards capital expenditure, thereby reducing the borrowing requirement (Minute RC/15 refers). To inform longer term planning the Prudential Indicator has been profiled for a further three years beyond 2017-18 based upon indicative capital programme levels for the years 2018-19 to 2020-21.
RESOURCE IMPLICATIONS	As indicated within the report.
EQUALITY IMPACT ASSESSMENT	The contents of this report are considered compatible with existing human rights and equalities legislation.
APPENDICES	A. Summary of Proposed Capital Programme 2015-16 – 2017-18 (and indicative Capital Programme 2018-19 to 2020-21). B. Prudential Indicators 2015-16 – 2017-18 (and indicative Prudential Indicators 2018-19 to 2020-21). *(Based upon Council Tax Option A included in separate report "2015-16 Revenue Budget and Council Tax Levels" i.e. Revenue Contribution to Capital of £1.737m).* C. Prudential Indicators 2015-16 – 2017-18 (and indicative Prudential Indicators 2018-19 to 2020-21). *(Based upon Council Tax Option B included in separate report "2015-16 Revenue Budget and Council Tax Levels" i.e. Revenue Contribution to Capital of £2.1m).*
LIST OF BACKGROUND PAPERS	None

1. INTRODUCTION

1.1 Each year the Capital Programme is reviewed and adjusted to include new projects and those carried forward, allowing the capital investment needs of the Service to be understood over a three year rolling programme. In constructing the programme, considerable effort is made to ensure that the impact of borrowing is maintained below the 5% ratio of financing costs to net revenue stream – one of several Prudential Indicators previously agreed by the Authority. However, the capital investment demands of the Service coupled with the impact of a reducing revenue base on the Service's ability to borrow whilst maintaining debt charge below this ceiling has made the allocation of funds between the main cost centres of fleet and estates increasingly difficult.

1.2 The Department for Communities and Local Government (DCLG) has for many years provided some direct grant funding to fire and rescue authorities for capital purposes. In 2013-14 and 2014-15 an amount of £70m had been made available in each year, part distributed on a pro-rata basis (population) and part subject to a bidding process. The Authority was allocated an amount of £1.4m in each year from the pro-rata distribution allocation. Unfortunately, the submission of a bid in 2013 by the Service in support of the introduction of the Light Rescue Pump (LRP) was unsuccessful.

1.3 For 2015-16, the DCLG had announced that an amount of £45m will be made available for capital purposes and that it will all be subject to a bidding process based upon transformational projects. Unfortunately the Authority bid for support of £3.9m towards the LRP project was again rejected. This means that for 2015-16 the Authority will receive no direct grant funding towards its capital investment needs.

1.4 Up until 2013-14, Devon and Somerset Fire and Rescue Authority (DSFRA) capital funds have predominantly been directed towards specific Estates projects culminating in the Training Academy build at Exeter Airport. This reduced the available budget for the vehicle replacement programme, thereby creating a significant backlog. However, from 2013-14 the Estates programme was significantly reduced to accommodate the reinstatement of the fleet programme and to fund the introduction of smaller type appliances into the Service as soon as possible.

1.5 Given the loss of government grant funding in 2015-16 (£1.4m in 2014-15) and to support the need to keep external borrowing within affordable limits, it is proposed that a revenue contribution be made from the 2015-16 revenue budget to support capital spending.

1.6 It should be recognised, however, that the proposed programme does come with some risk in terms of progression of the Programme from 2018-19 onwards. The Authority will inevitably require the identification of further funding streams other than reliance on further external borrowing, in order to maintain the Authority stance on the 5% Prudential Indicator.

1.7 This report is, in essence, the same as that considered by the Resources Committee at its budget meeting on 10 February 2015. The Committee resolved to commend to this Authority approval of the capital programme and associated prudential indicators as set out in this report and summarised at Appendices A to C of this report, a minimum contribution in 2015-16 from revenue to capital of £1.737m and (by virtue of the recommendation of a 1.99% council tax increase in relation to the revenue budget for 2015-16) a further revenue contribution of £0.381m (Minutes RC/14 and RC/15 refer).

2. FINANCING OF THE PROPOSED CAPITAL PROGRAMME

2.1 At its meeting on 8 December 2008, the Resources Committee considered report RC/08/10 - Affordable Capital Investment Plans for 2009-2010 to 2011-12 – which, amongst other things, established the principle that debt repayments associated with capital expenditure should remain below 5% of the total revenue budget in any given financial year (Minute *RC/15) refers). While this principle has stood the Authority in good stead since that time, it is worth commenting at the outset that it may be breached in future years as a result of:

- the need for additional capital investment; and
- reducing revenue funding stemming from the government's austerity measures - now anticipated to continue to at least 2018-19.

This two issues, along with the removal of government grant, have had a direct impact on the Capital Programme going forward.

2.2 Affordability is measured in accordance with the Chartered Institute of Public Financial Accountants (CIPFA) Prudential Code for Capital Financing for Local Authorities. Under this Code, the Authority is required to set a suite of indicators to provide assurance that capital spending is prudent, affordable and sustainable. The indicators, which include maximum borrowing limits and debt ratios, are set for a three-year period but reviewed annually.

2.3 The issue of affordable capital spending has been the subject of several reports to both the Resources Committee and the Authority in recent years. The most recent report was considered by the Authority at its budget meeting on 24 February 2014 which approved the existing capital programme (Minute DSFRA/45 refers).

2.4 The programme now proposed and as set out in this report increases the external borrowing requirement to £29.6m by 2017-18 (compared to current external borrowing requirement as at 31 March 2015, of £22.5m) and the debt ratio to 4.42% (council tax Option A) or 4.35% (council tax Option B) . Looking further ahead the external borrowing requirement is forecast to increase to £33.8m by 2020-21.

2.5 Whilst a debt of £33.8m is not considered excessive for this size Authority, given the large size of the asset portfolio, it is clear that the Authority will need to closely monitor its exposure to further debt levels as the Service moves forward. The Service needs to ensure that the debt levels are affordable in the context of a reducing budget and the ability to service debt repayments.

2.6 The focus of this Authority over many years has been to control spending within the 5% limit. To achieve this, the Service previously reduced spend on the appliance replacement programme to support Estates projects, utilising revenue funding wherever possible. This resulted, however, in the need to recommence the fleet programme in 2014/15. The extent to which this can be achieved over the next few years will be subject to affordability as measured by the Prudential Indicators.

2.7 With increasing scrutiny on capital, the revised programme has again been constructed on the basis of keeping the debt ratio within the 5% limit. To achieve this, no major projects are proposed for the Estates programme in 2015-16 and a reduction in the provision for minor improvements and structural maintenance over the next three years is proposed to meet obligations within the fleet replacement programme to be met.

2.8 Elsewhere on the agenda for this meeting is a separate report “2015-16 Revenue Budget and Council Tax Levels”. This contains, amongst other things, a proposed revenue contribution towards capital of £1.737m; potentially rising to £2.118m should the Authority be minded to approve Option B within that report (1.99% increase in Council Tax). As indicated earlier, both of these proposals were commended for approval by the Resources Committee (budget) meeting held on 10 February 2015 (Minutes RC/14 and RC/15 refer).

2.9 It should be noted that approval of this proposed programme does not address the Service’s entire capital investment backlog, and the position will need to be reviewed on an annual basis subject to the overall financial position of the Authority.

3. SERVICE ESTATES

3.1 Whilst combination provided many benefits, the Estates department inherited additional building stock with no increase in budget or staffing, limiting the ability of the department over recent years. As a consequence the department was subject to a review in 2013 and has been re-structured, which is contributing towards improvements in ways of working and associated efficiencies.

3.2 The budget for Estates does continue, however, to remain insufficient for the Authority’s extensive property portfolio and associated maintenance requirements. After significant and extensive officer scrutiny, it is proposed that 2015/16 is a year of assessing future requirements and how these may best be met rather than undertaking major projects at this stage. It is, however, recognised that many of the Service’s sites are in need of significant investment and through this year it is intended to scope options and then consider how best to meet the operational requirement for the future. The scale of the financial pressures simply means that the Service needs to review fundamentally each and every one of our 90 sites and in order to do this thoroughly, the estates team will need time to consider and plan future arrangements as well as respond to immediate maintenance issues that will occur in year.

3.3 As such, in seeking to present the Authority with an affordable programme, for the third year, no new major projects are included to commence in a build phase in 2015/16 but planning and detailed proposals are likely to emerge and will be reported to the Capital Working Party and Resources Committee/ Full Authority as appropriate. The provision for minor improvements and structural maintenance has also been reduced beyond the planned level of £0.250m over three years.

4. OPERATIONAL ASSETS

Vehicle Replacements/Equipment

4.1 The Authority has the second largest fleet of all fire and rescue services in England. In recent years the budget had been reduced in support of the Estates programme, whilst evaluating new vehicles, creating a significant backlog in vehicle replacement. The programme was reinstated last year providing the necessary funding for the investment in the Light Rescue Pump (LRP) programme over the next few years. At the same time, 2015/16 will be a year where the Service pilots a range of new vehicles, engaging and involving staff and trade unions in the process and this work will directly inform future capital requirements for our fleet.

4.2 In matching ‘resources to risk’ a further pilot is being undertaken within 2015/16 for the Rapid Intervention Vehicle which is integral to the future fleet arrangements within Tier 1 of the Service’s “Tiered Response” strategy for fleet replacement. Subject to the outcome it is proposed to introduce this vehicle within 2016/17, thereby reducing the future fleet costs further.

Light Rescue Pumps (LRPs)

4.3 It was planned that funding for the introduction of the Light Rescue Pump (LRP) would be part funded from government grant. The Minister reported last year that the grant would be:

- an efficiency fund, administered as a capital grant via a bidding process, and
- a pro-rata distribution using the current distribution method.

4.4 The Service submitted a bid for £4.7m over a two year period to offset future borrowing costs. Unfortunately, this bid was not successful which has impacted on capital borrowing overall. The Service is exploring range of options linked to its Tiered Response strategy for fleet replacement, including a pilot for a new type of vehicle, the Rapid Intervention Vehicle (RIV). Subject to the outcome of this pilot, the LRP programme may be revised for future years. To assist with maintaining borrowing below 5%, it is proposed to make a minimum £1.7m contribution from revenue towards this programme.

4.5 The LRP programme remains the bedrock of the Authority’s future fleet replacement strategy for introducing ‘Tiered Response’, meeting future service delivery arrangements with a more cost effective vehicle and thereby improving service to local communities, and firefighter safety. The capital programme has been adjusted to support this programme and also recognises that further revisions may be required pending the outcome of the Rapid Intervention Vehicle pilots.

Breathing Apparatus (BA) Replacement Programme

4.6 There is an operational need to harmonise the breathing apparatus (BA) equipment between Somerset (Scott Sabre) and Devon (InterSpiro) and a full business case has been developed to consider the most appropriate and cost effective options. The programme for 2013-14 indicated that an estimated £1.4m would be required for the harmonisation of BA equipment in 2013-14.

4.7 Whilst financial provision has been made to purchase BA, a Respiratory Protection strategy is being developed to consider all aspects of respiratory protection, including telemetry, for operational staff. The figure for the purchase of BA has been revised to £0.884m in the light of the latest information on indicative costs.

5. REVISED CAPITAL PROGRAMME FOR 2015-16 – 2017-18

5.1 Appendix A provides an analysis of the proposed programme for the three years 2015-16 to 2017-18 as contained in this report. This programme represents a net increase in overall spending of £0.3m over the previously agreed programme as illustrated in Figure 1 overleaf

	Estates £m	Fleet & Equipment £m	Total £m
EXISTING PROGRAMME			
2014-15	2.4	4.7	7.1
2015-16	2.5	4.5	7.0
2016-17(provisional)	1.5	3.3	4.8
2017-18(provisional)	1.8	3.2	5.0
Total 2014-15 to 2017-18	8.2	15.7	23.9
PROPOSED PROGRAMME			
2014-15	1.8	2.7	4.4
2015-16	1.9	6.3	8.2
2016-17(provisional)	2.6	3.6	6.2
2017-18(provisional)	2.0	3.3	5.3
Total 2014-15 to 2017-18	8.4	15.8	24.2
PROPOSED CHANGE	**0.2**	**0.1**	**0.3**

Figure 1

5.2 The increase of £0.3m in overall spending relates to an Authority decision at its meeting on the 5 November 2014 to increase the 2014-15 programme to be funded from a revenue contribution (Minute DSFRA/22(a)(i) refers).

5.3 Appendix A also provides indicative capital requirements beyond 2017-18 up to 2020-21. The estimated debt charge emanating from this revised spending profile is illustrated in Figure 2. These figures, which already include the impact of the proposed revenue contribution of a minimum of £1.737m from the 2015-16 revenue budget, on the basis that the proposal is agreed, are reflected in the draft 2015-16 revenue budget and Medium Term Financial Plan (MTFP) forecasts.

Summary of Estimated Capital Financing Costs

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Base budget for Capital Financing costs Debt charges and operating leasing rentals	4.626	4.377	4.069	4.314	4.414	4.914	5.214	5.564
Change over previous year		-0.249	-0.308	0.245	0.100	0.500	0.300	0.350
Debt ratio	3.75%	3.70%	3.80%	4.32%	4.45%	5.02%	5.44%	5.77%

Figure 2

5.4 The forecast figures for external debt and debt charges beyond 2017-18 are based upon the indicative programmes as included in Appendix A for the years 2018-19 to 2020-21. The affordability of these programmes will need to be subject to annual review based upon the financial position of the Authority.

6. **PRUDENTIAL INDICATORS**

6.1 Appendix B provides a summary of the Prudential Indicators associated with this level of spending over this period. It is forecast that Capital Financing Requirement (the need to borrow to fund capital spending) will have increased from current levels of £22.5m to £33.8m (including impact of proposed revenue contribution of £1.737m) by 2021. Figure 3 below provides further analysis of forecast borrowing for each year.

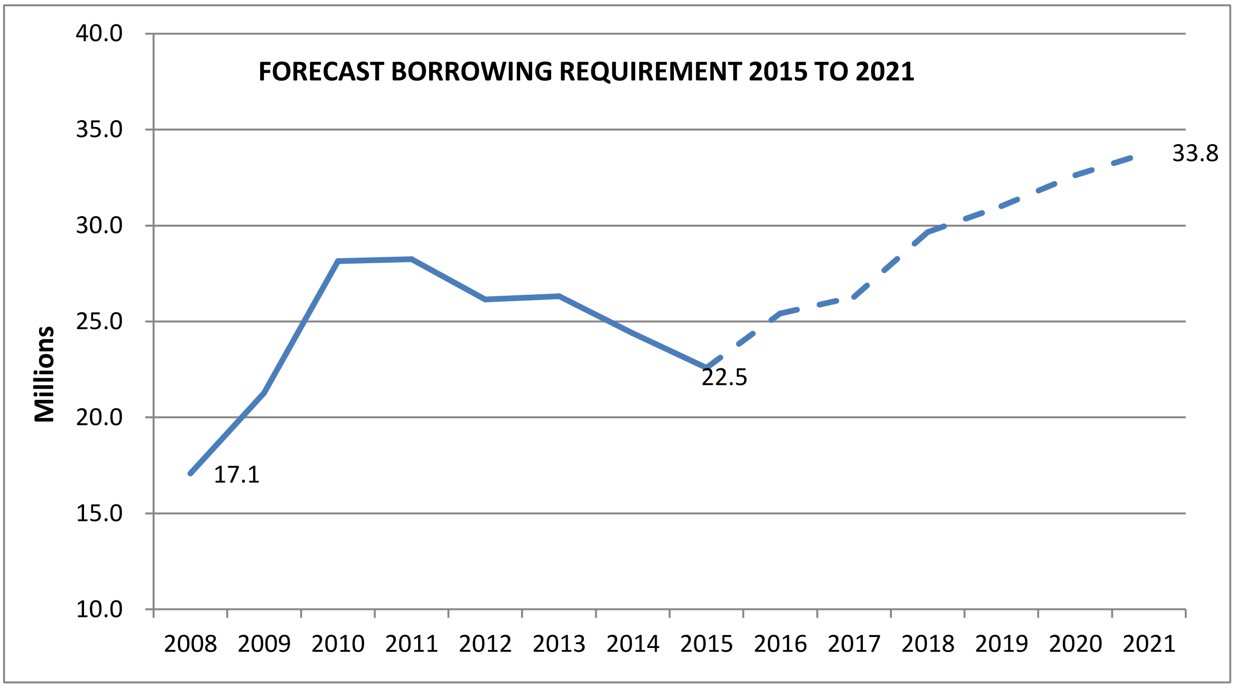

Figure 3

6.2 The reducing revenue budget impacts significantly upon the borrowing capacity of this Authority. Whilst the programme now presented maintains borrowing within 5% to 2017-18, it does come with a risk that this could be breached from 2018-19 onwards albeit that the Service considers it has measures in place to mitigate against this. Previous Capital Programmes and the borrowing profile have been reasonable and affordable.

6.3 The Treasurer has reported previously that given the size of the DSFRA asset portfolio a borrowing profile at £33.8m is not deemed to be excessive. However reducing the programme for the next three years and providing a further revenue contribution of a minimum of £1.737m keeps the consequences of borrowing below 5% and maintains the Service debt exposure to £29.6m up until 2017-18.

7. CONCLUSION

7.1 This report emphasises the difficulties in meeting the full capital expenditure requirement for the Service, given the geographical size, number of fire stations and fire appliances required to be maintained and eventually replaced, and also keeping debt charges within the 5% limit. Indications are that there is a risk that this limit may be breached by 2018-19. However, the programme proposed in this report does not commit any spending beyond 2017-18. Decisions on further spending will be subject to annual review based upon the financial position of the Authority.

7.2 The proposed capital programme for 2015-16 to 2017-18 as set down in Appendix A limits future spending whilst providing towards reducing the fire appliance replacement backlog. The programme is therefore recommended for approval.

LEE HOWELL	**KEVIN WOODWARD**
Chef Fire Officer	**Treasurer**

Capital Programme 2015/16 to 2020/21

2014/15 £000 Opening budget	2014/15 £000 Revised Budget	Item	PROJECT	2015/16 £000 Budget	2016/17 £000 Budget	2017/18 £000 Budget	2018/19 £000 Indicative Budget	2019/20 £000 Indicative Budget	2020/21 £000 Indicative Budget
			Estate Development						
420	91	1	Major Projects	329	0	0	0	0	0
2,965	1,679	2	Minor improvements & structural maintenance	1,616	2,640	2,040	1,750	1,750	1,500
3,386	**1,770**		**Estates Sub Total**	**1,945**	**2,640**	**2,040**	**1,750**	**1,750**	**1,500**
			Fleet & Equipment						
3,640	1,984	3	Appliance replacement	4,089	2,837	2,557	1,438	2,119	2,119
36	100	4	Community Fire Safety	0	0	0	0	0	0
50	104	5	Specialist Operational Vehicles	480	400	400	0	0	0
1,619	481	6	Equipment	1,391	320	320	380	200	200
250	0	7	ICT Department	250	0	0	0	0	0
100	7	8	Water Rescue Boats	93	0	0	0	0	0
5,695	**2,676**		**Fleet & Equipment Sub Total**	**6,302**	**3,557**	**3,277**	**1,818**	**2,319**	**2,319**
9,081	**4,446**		**Overall Capital Totals**	**8,247**	**6,197**	**5,317**	**3,568**	**4,069**	**3,819**
			Programme funding - no council tax increase						
368	236	9	Earmarked Reserves	471	0	0	0	0	0
4,467	2,812	10	Revenue funds	3,175	3,362	0	0	0	0
2,848	0	11	Borrowing	4,601	2,835	5,317	3,568	4,069	3,819
1,398	1,398	12	Grants						
9,081	**4,446**		**Total Funding**	**8,247**	**6,197**	**5,317**	**3,568**	**4,069**	**3,819**
			Programme funding - council tax increase of 1.99%						
368	236	13	Earmarked Reserves	471	0	0	0	0	0
4,467	2,812	14	Revenue funds	3,175	3,362	0	0	0	0
0	0	15	Additional revenue funds	381	0	0	0	0	0
2,848	0	16	Borrowing	4,220	2,835	5,317	3,568	4,069	3,819
1,398	1,398	17	Grants						
9,081	**4,446**			**8,247**	**6,197**	**5,317**	**3,568**	**4,069**	**3,819**

PRUDENTIAL INDICATORS

				INDICATIVE INDICATORS 2017/18 to 2019/20		
	2015/16 £m estimate	2016/17 £m estimate	2017/18 £m estimate	2018/19 £m estimate	2019/20 £m estimate	2020/21 £m estimate
Capital Expenditure						
Non - HRA	8.247	6.197	5.317	3.568	4.069	3.819
HRA (applies only to housing authorities						
Total	8.247	6.197	5.317	3.568	4.069	3.819
Ratio of financing costs to net revenue stream						
Non - HRA	3.80%	4.31%	4.42%	4.99%	5.40%	5.73%
HRA (applies only to housing authorities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Financing Requirement as at 31 March	£000	£000	£000	£000	£000	£000
Non - HRA	25,422	26,275	29,655	30,998	32,618	33,823
HRA (applies only to housing authorities	0	0	0	0	0	0
Other long term liabilities	1,443	1,374	1,299	1,209	1,112	1,010
Total	26,865	27,649	30,954	32,207	33,730	34,833
Annual change in Capital Financing Requirement	£000	£000	£000	£000	£000	£000
Non - HRA	2,774	784	3,305	1,253	1,523	1,103
HRA (applies only to housing authorities	0	0	0	0	0	0
Total	2,774	784	3,305	1,253	1,523	1,103
Incremental impact of capital investment decisions	£ p	£ p	£ p	£ p	£ p	£ p
Increase/(decrease) in council tax (band D) per annum	-£0.17	-£0.13	-£0.36	N/A	N/A	N/A
PRUDENTIAL INDICATORS - TREASURY MANAGEMENT						
Authorised Limit for external debt	£000	£000	£000	£000	£000	£000
Borrowing	30,926	32,312	34,101	35,373	36,729	38,144
Other long term liabilities	1,371	1,278	1,177	1,070	963	842
Total	32,297	33,590	35,278	36,443	37,692	38,986
Operational Boundary for external debt	£000	£000	£000	£000	£000	£000
Borrowing	29,655	30,998	32,618	33,823	35,098	36,453
Other long term liabilities	1,299	1,209	1,112	1,010	907	791
Total	30,954	32,207	33,730	34,833	36,005	37,244
Maximum Principal Sums Invested over 364 Days						
Principal Sums invested > 364 Days	5,000	5,000	5,000	5,000	5,000	5,000

TREASURY MANAGEMENT INDICATOR	Upper Limit %	Lower Limit %
Limits on borrowing at fixed interest rates	100%	70%
Limits on borrowing at variable interest rates	30%	0%
Maturity structure of fixed rate borrowing during 2015/16		
Under 12 months	30%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	50%

PRUDENTIAL INDICATORS

	2015/16 £m estimate	2016/17 £m estimate	2017/18 £m estimate	INDICATIVE INDICATORS 2017/18 to 2019/20 2018/19 £m estimate	2019/20 £m estimate	2020/21 £m estimate
Capital Expenditure						
Non - HRA	8.247	6.197	5.317	3.568	4.069	3.819
HRA (applies only to housing authorities						
Total	8.247	6.197	5.317	3.568	4.069	3.819
Ratio of financing costs to net revenue stream						
Non - HRA	3.79%	4.24%	4.35%	4.91%	5.33%	5.67%
HRA (applies only to housing authorities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Financing Requirement as at 31 March	£000	£000	£000	£000	£000	£000
Non - HRA	25,041	25,932	29,351	30,731	32,389	33,633
HRA (applies only to housing authorities	0	0	0	0	0	0
Other long term liabilities	1,443	1,374	1,299	1,209	1,112	1,010
Total	26,484	27,306	30,650	31,940	33,501	34,643
Annual change in Capital Financing Requirement	£000	£000	£000	£000	£000	£000
Non - HRA	2,393	822	3,344	1,290	1,561	1,142
HRA (applies only to housing authorities	0	0	0	0	0	0
Total	2,393	822	3,344	1,290	1,561	1,142
Incremental impact of capital investment decisions	£ p	£ p	£ p	£ p	£ p	£ p
Increase/(decrease) in council tax (band D) per annum	-£0.19	-£0.23	-£0.20	N/A	N/A	N/A
PRUDENTIAL INDICATORS - TREASURY MANAGEMENT						
Authorised Limit for external debt	£000	£000	£000	£000	£000	£000
Borrowing	30,603	32,028	33,857	35,170	36,564	38,021
Other long term liabilities	1,371	1,278	1,177	1,070	963	842
Total	31,974	33,306	35,034	36,240	37,527	38,863
Operational Boundary for external debt	£000	£000	£000	£000	£000	£000
Borrowing	29,351	30,731	32,389	33,633	34,945	36,339
Other long term liabilities	1,299	1,209	1,112	1,010	907	791
Total	30,650	31,940	33,501	34,643	35,852	37,130
Maximum Principal Sums Invested over 364 Days						
Principal Sums invested > 364 Days	5,000	5,000	5,000	5,000	5,000	5,000

TREASURY MANAGEMENT INDICATOR	Upper Limit %	Lower Limit %
Limits on borrowing at fixed interest rates	100%	70%
Limits on borrowing at variable interest rates	30%	0%
Maturity structure of fixed rate borrowing during 2015/16		
Under 12 months	30%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	50%