

Appendix B

Debt Management Activities from 1 April 2018 to 30 September 2018

	Balance on 01/04/2018 £M	Debt Maturing £M	New Borrowing £M	Balance on 30/09/2018 £M
Capital Financing Requirement (CFR)	519.2			
Short Term Borrowing ¹	26.1	95.0	92.9	24.0
Long Term Borrowing	275.6	0.0	0.0	275.6
TOTAL BORROWING	301.7	95.0	92.9	299.6
Other Long Term Liabilities	16.5	0.0	0.0	16.5
TOTAL EXTERNAL DEBT	318.2	95.0	92.9	316.1

At 30 September 2018, the Council had in place £316.1M of external borrowing to finance its previous years' capital programmes. With short term interest rates being much lower than long term rates, it continues to be more cost effective in the short term to use a combination of internal resources and short term borrowing, rather than undertake further long term borrowing. By doing so, the Council is able to minimise net borrowing costs and reduce overall treasury risk.

No debt rescheduling has been undertaken during the financial year as present discount rates make the costs involved unattractive.

¹ Loans with maturities less than 1 year.

Budgeted Expenditure and Outturn

The interest payable in the year is forecast to be £0.5M less than the budget of £5.7M. This budget underspend is due to a combination of:

- new borrowing being taken from local authorities and other public sector bodies such as Police and Crime Commissioners on a short-term temporary basis at lower than budgeted rates; and
- Capital Programme slippage which has been higher than originally assumed in the interest payable budget, leading to a lower level of overall borrowing being required than assumed in the 2018/19 budget.