

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 12TH FEBRUARY 2003

REPORT OF FINANCIAL SERVICES MANAGER

This Matter Is The Responsibility of Executive Cllr Horsley (Leader of the Council)

BORROWING LIMIT

1. Purpose of Report

- 1.1 To determine the Council's Policy and to make recommendations in respect of the borrowing limits for 2003/04.

2. Background

- 2.1 Part IV of the Local Government and Housing Act 1989 requires local authorities to determine for each financial year:-
- (c) their overall borrowing limit
 - (b) their short term borrowing limit, and
 - (c) a limit on the proportion of interest that is payable by them at variable rates.
- 2.2 This decision must be made by the Council prior to the beginning of the financial year in question.
- 2.3 The borrowing limit is the total of :-
- (d) the current level of outstanding debt
 - (e) the anticipated authorised new borrowing in the next financial year (2002/03)
 - (f) a provision for possible temporary revenue borrowing in anticipation of income being received.

3.0 Proposed Limits

- 3.1 The limits set by the Council in February 2002, as set out in paragraph 4.1 below, have been in place for a number of years now, and are still considered to be adequate for the authority's needs. No changes are therefore proposed.

4.0 Recommendation

- 4.1 The Executive is recommended to request Council to approve the following for the financial year 2003/04:-
- (a) that the overall borrowing limit be fixed at £44,000,000.
 - (b) that the short term borrowing at any time should not exceed £11,000,000, representing 25% of the borrowing limit.
 - (c) that no more than 50% of the total amount of interest payable may be at variable interest rates.

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Background Papers

Council February 2002 – Treasury Management Policy
Executive March 2002 – Treasury Management Strategy

