



Item 3 (ii)

**Ethics, Transparency and Audit Panel (ETAP)
7th February 2019**

**Capital Programme and Capital Strategy Report
Incl. Minimum Revenue Provision Policy
(2019/20 to 2021/22)**

Report of the Director of Finance, Assets and Resources

SUMMARY

As part of the overall financial strategy for the Staffordshire Commissioner Fire and Rescue Authority a three year Capital Programme has been prepared. This report schedules the proposed investment programme for 2019/20 to 2020/21, and presents the indicators required within the updated Prudential Code. This all forms part of the Capital Strategy for the Staffordshire Commissioner Fire and Rescue Authority.

The Prudential Code requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital planning. The Capital Strategy is part of the Authority's sound medium term financial planning process, ensuring there is a clear strategy supporting the next three years of capital investment.

The Capital Strategy sets-out how the long-term context in which capital investment and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes in line with the Corporate Safety Plan. It also demonstrates that the Authority takes capital and investment decisions in line with Service objectives and properly takes account of stewardship, value for money, prudence, sustainability and importantly affordability.

This report also reviews the approach that the Authority has taken during the last few years, successfully managing the capital programme, reducing future capital financing requirements, and through the repayment of long term loans reducing interest payments.

The Capital Programme for 2019/20 to 2021/22 has been prepared, reviewed and scrutinised by the Capital Review Group which is chaired by the Director of Finance, Assets and Resources.

This report should also be considered alongside the Treasury Management Strategy, with both reports covering the reporting requirements of CIPFA's Prudential Code and Treasury Management in the Public Sector.

The Capital Strategy and Capital Programme as shown within this report will be presented to the Police, Fire and Crime Panel on 15 February 2019 for final scrutiny.

RECOMMENDATIONS

That ETAP:

- a) note the Capital Strategy as included within this report, and the three year Capital Programme for 2019/20 to 2021/22 as set out in Appendix 1
- b) note the detailed Capital Programme for 2019/20 as set out within Appendix 2
- c) note that the Prudential Indicators are set out within Appendix 3 including the Capital Financing Requirement for the three year period
- d) note that the funding of capital expenditure from Reserves for the period 2019/20 to 2021/22 is in line with the approved Reserves Strategy
- e) note the Minimum Revenue Provision (MRP) policy statement incorporated within this report

Financial Implications

As with the revenue expenditure, capital expenditure is undergoing rigorous review and is scrutinised by the Capital Review Group, with minutes reported through to Service Delivery Board.

A quarterly financial update is also reviewed by the Strategic Governance Board during the year.

Legal Implications

There are no direct implications arising from this report.

Equality and Diversity

Any Equality and Diversity implications need to be given due consideration at an individual project level based upon the requirements of each specific spend area. For example, the implications and considerations from property and improvement works will be very different to the vehicle replacement programme.

Risk Implications

The programme is presented in outline only and it is recognised that the allocation of funds may need to be reviewed or altered in the light of the commissioning of individual schemes and the impact of the transformation agenda. Regular reports to the will ensure that such changes are notified and approved as required.

Consultation and Engagement undertaken

The Authority has allocated resources following full and proper budget consultation by the Service. The Capital Review Group was established during 2010/11 to provide detailed scrutiny for all capital spend proposals, minutes from this group are reviewed by the Service Delivery Board.

Protective and Information Security Implications

Protective security implications have been given due consideration when establishing the revenue and capital budgets for 2019/20, within individual departments and also Service wide.

Procurement and Social Value impact

The procurement and social value implications will be given due consideration when establishing the most efficient and effective procurement route for capital spend that will not only deliver the required economies but also give due consideration to local business within Stoke-on-Trent and Staffordshire.

Other implications

None

1. Background

- 1.1 The Capital Strategy forms a key part of the Staffordshire Commissioner Fire and Rescue Authority's overall Corporate Planning Framework. It provides a mechanism by which the Commissioner's capital investment and financing decisions can be aligned over the medium term planning horizon.
- 1.2 The Strategy sets the framework for all aspects of the Commissioner's Fire and Rescue capital and investment expenditure; including planning, outcomes, prioritisation, management, funding and repayment.
- 1.3 There are four main areas of spend which feature within the Capital Programme; Estates and Facilities, Operational Equipment, Transport and Information Systems and Technology.

2. Objectives

- 2.1 The key aims of the Capital Strategy are to:
 - provide a clear set of objectives and a framework within statutory legislation that proposes new capital expenditure to be evaluated to ensure that all new capital investment is targeted at meeting the vision, aims and priorities of the Authority;
 - set out how the Authority identifies, programmes and prioritises capital requirements and proposals;
 - consider options available for funding capital expenditure and how resources may be maximised to generate investment in the area and to determine an affordable and sustainable funding policy framework, whilst minimising the ongoing revenue implications of any such investment;
 - identify the resources available for capital investment over the MTFS planning period;
 - ensure the strategy has an overall balance of risk on a range of investments over timespan, type of investment and rate of return;
 - establish effective arrangements for the management of capital expenditure including the assessment of project outcomes, budget profiling, deliverability, value for money and security of investment;
 - deliver projects that focus on delivering the long term benefits to the Authority and the communities served within Staffordshire and Stoke on Trent.

3. Governance of the Capital Programme

- 3.1 A governance processes is clearly established within the Service and Authority and will continue to be adhered to, will follow standing orders and financial regulations to ensure that available resources are allocated optimally and deliver value for money, and that capital programme planning is determined in parallel with the Service and revenue budget planning process within the framework of the MTFS. These include:

- The Strategic Governance Board (SGB) which is ultimately responsible for approving the Capital Strategy for investment and the Capital Programme for approving changes to the programme within financial regulations and for the approval of business case submissions.
- The Ethics, Transparency and Audit Panel (ETAP) which is responsible for scrutiny of the MTFS documents and the Capital budget monitoring reports and can make recommendations to the Strategic Governance Board (SGB).
- The Capital Review Group has been established for a number of years and provides detailed scrutiny for all capital spend proposals and monitors delivery of the current year's programme and develops a rolling three year programme. The group consists of key stake holders from within the Service and holds responsibility for the delivery of the Service's capital programme and has clear Terms of Reference in place. Minutes from this group are reviewed by the Service Delivery Board.

3.2 For new major projects and programmes an outline business case will be submitted that needs to include the capital investment requirements, repayment mechanisms, revenue impacts of capital spend and also lifetime costing if applicable.

3.3 For smaller areas of capital spend (based upon a rolling programme of requirements) the proposals may be submitted through the Capital Review Group and approved by the Staffordshire Commissioner Fire and Rescue Authority through the Strategic Governance Board. This is recognising that the programme consists of smaller spend areas that do not require the production of a full outline business case.

3.4 The monthly Resource Control Report is produced and available to all staff within the Authority, in addition quarterly financial progress and monitoring reports are submitted to the Strategic Governance Board with bi-months reports reviewed by ETAP's Finance Panel.

4. Capital Priorities

4.1 The capital strategy must recognise that the financial resources available to meet the requirements of the Corporate Safety Plan and the three key priority areas:

- Education and Engagement
- Community Safety and Wellbeing
- Planning, Resilience and Response

4.2 The bringing together of blue light services under a single governance route to the Staffordshire Commissioner provides opportunities to co-locate and share assets to the good of the community, delivering efficiencies and savings.

4.3 The Staffordshire Commissioner Fire and Rescue Authority will seek to prioritise investment in order to deliver economy and efficiency within the Service. This prioritisation will be achieved through the robust governance arrangements discussed above.

5. Funding Approach

5.1 The Staffordshire Commissioner Fire and Rescue Authority's capital investment falls within, and needs to comply with, the "Prudential Code for Capital Finance in Local Authorities" (The Code). Under the Code local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver their capital plans and programmes.

5.2 The main sources of capital funding are summarised below:

- **Central Government Funding Grants**

Capital Grant funding is no longer available from Central Government and ceased in 2012. Prior to this date the Authority received a capital grant in excess of £1 million per annum. Funding from the Home Office has been made available since 2012 but only on a bid for basis e.g. transformational funding.

- **The use of internal cash balances**

Interest rates on cash balances, over recent years, have remained low which has resulted in this being a more efficient use of cash to invest in the capital programme rather than taking additional external debt. The use of internal cash is an approach that has been undertaken successfully by the Authority for a number of years.

- **The use of Earmarked Reserves**

The Authority has a Reserves Strategy which includes the Earmarking of Reserves to support the capital programme. Funding into the medium term has been identified through this approach and remains a key funding strategy. To date only the vehicle replacement programme has been supported through the use of earmarked reserves.

- **The use of Capital Receipts**

Disposing of surplus assets is a good way to reinvest in the capital programme. Receipts will be targeted at the shortest life assets and then their use considered widely within any flexibility allowed by the appropriate government authority. In accordance with statutory instruments capital receipts may also be used for the repayment of debt.

- **Direct revenue funding**

Capital expenditure may be funded directly from revenue (CERA – capital expenditure charged to revenue account). In addition to specific revenue funds previously set aside, such as repairs and renewal funds, capital expenditure may be funded by specific revenue budget provision.

This approach has been adopted successfully for the last five years by the authority fully funding the capital programme during this time and consequentially reducing the Capital Financing Requirement by £6.5m. Due to funding pressures and a significant reduction in Revenue Support Grant funding this opportunity for direct revenue financing will be significantly restricted into the medium term.

- **Borrowing and Leasing**

Under the Prudential Code the Authority has discretion to undertake borrowing to fund capital projects with the full cost of that borrowing being funded from the project returns or upon agreement to include in the MTFS estimates.

This discretion is subject to complying with The Code's regulatory framework which essentially requires any such borrowing to be prudent, affordable and sustainable (Local Government Act 2003). Prudential borrowing does provide an option for funding additional capital development but one which has to be funded each year from within the revenue budget or from generating additional ongoing longer term income streams.

The Authority will test the prudence of the borrowing predictions against the prudential indicators set under The Code every year as part of the MTFS process and report on progress against those indicators half yearly (see Appendix 2).

Through the use of internal cash and direct revenue financing no new loans have been taken since 2010/11, and following the repayment of £1.5m of loans during 2018/19 the overall loans position will reduced to £18m by 31 March 2019. This prudent approach to borrowing will continue into the medium term. However, should borrowing be required the Authority will continue to consider on a cautious and prudent basis as informed by a specialist team contracted from Staffordshire County Council in relation to Treasury Management who work closely with the finance team.

The Authority will utilise operational leases where possible for the purchase of minor equipment, IT and vehicles as supported by an appropriate business case.

6. Risk Management

- 6.1 Risk is the threat that an event or action will adversely affect the ability to achieve a desired outcomes or execute strategies successfully.
- 6.2 To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.
- 6.3 The Director of Finance, Assets and Resources will report on the deliverability, affordability and risk associated with this Capital Strategy and the associated capital programme. Where appropriate they will have access to specialised advice to enable them to reach their conclusions.

- **Credit Risk** is the risk that the organisation with which we have invested capital monies becomes insolvent and cannot complete the agreed contract. Accordingly we will ensure that robust due diligence procedures covers all external capital investment. Where possible contingency plans will be identified at the outset and enacted when appropriate.
- **Liquidity Risk** is the risk that the timing of any cash inflows from a project will be delayed, for example if other organisations do not make their contributions when agreed. This is also the risk that the cash inflows will be less than expected, for example due to the effects of inflation, interest rates or exchange rates. The exposure to this risk will be monitored via the revenue and capital budget monitoring processes. Where possible appropriate interventions will occur as early as possible.
- **Interest Rate Risk** is the risk that interest rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Interest rates will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.
- **Exchange Rate Risk** is the risk that exchange rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Where relevant, exchange rates will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.
- **Inflation Risk** is the risk that rates of inflation will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates of inflation will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible any exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.
- **Legal and Regulatory Risk** is the risk that changes in laws or regulation make a capital project more expensive or time consuming to complete, make it no longer cost effective or make it illegal or not advisable to complete. Before entering into capital expenditure or making capital investments, we will understand the powers under which the investment is made. Forthcoming changes to relevant laws and regulations will be kept under review and factored into any capital bidding and programme monitoring processes.
- **Fraud, Error and Corruption** is the risk that financial losses will occur due to errors or fraudulent or corrupt activities. Officers involved in any of the processes around capital expenditure or funding are required to follow the agreed Code of Corporate Governance. This is supported by the national Code of Ethics and detailed policies such as Counter-Fraud and Corruption and Declaration of Interests.

- Capital Schemes must comply with legislation, such as the Disability Discrimination Act, the General Data Protection Regulations (GDPR), building regulations etc.

7. Capital Programme 2019/20 to 2021/22

- 7.1 The proposed Capital Programme for 2019/20 to 2021/22 is contained within **Appendix 1** of this report. The total Capital Programme for 2019/20 has been estimated at £4.720m, for 2020/21 £1.719m and for 2021/22 £1.975m.
- 7.2 The detailed scheme analysis supporting the programme 2019/20 is shown within Appendix 2.
- 7.3 The Staffordshire Commissioner Fire and Rescue Authority is required to set estimates and impose limits and to report and publish actuals in line with The Prudential Code. The indicators for adoption by the Authority for 2019/20, 2020/21 and 2021/22 are set out in Appendix 3.
- 7.4 There are four main areas of spend which feature within the capital programme; Estates and Facilities which includes building and infrastructure work, Operational Equipment, Transport Appliances and Vehicles and finally Information Systems and Technology. The four areas are discussed in more detail below.

Building and Infrastructure Work

The budget proposal for 2019/20 includes a total capital requirement of £2.4m, which consists of the following main building and infrastructure projects plus some minor works:

- Stafford Fire Station, £1.5m. This is the balance held for the Transformation Funding Grant. As part of the Estates Strategy work will be ongoing into 2019/20 with a number of potential options being considered for this investment by the Staffordshire Commissioner. This will require a full business case being developed for approval by the Authority (through the Strategic Governance Board) and Home Office
- The refurbishment of Abbots Bromley fire station, £0.5m. This project being partially funded by the earmarked reserve created utilising the refinancing cash benefit from the PFI1 project (reinvestment back into the estate). This project was originally budgeted for 2018/19 but the scope of the project so far has exceeded the financial envelope. The budget includes additional work for the replacement of the drill tower
- Learning and Development – replacement of drill yard at HQ, £0.3m
- Minor works including HQ site, £0.1m

Operational Equipment

Total investment of £0.4m has been identified and included within the programme for 2019/20:

- Appliance – hydraulic cutting equipment (battery powered), £0.1m
- Thermal imaging camera replacement, £0.1m
- Hand held radio replacement, £0.1m
- Other areas, £0.1m

Appliances and Vehicles

A vehicle replacement programme of £1.2m, has been included within the proposed budget for 2019/20.

In summary the vehicle replacement programme includes the following:

- Fire appliances (x2), £0.4m. This represents the final payment following the receipt of the final two appliances following the procurement of eleven new appliances spanning a two-year period
- Aerial Ladder Replacement (ALP), £0.7m. This investment was originally included with 2018/19 and approved as part of last year's capital programme
- Light Vehicles, the programme includes the replacement of 15 light vehicles as part of the rolling vehicle replacement programme

Information Technology

The ICT programme for 2019/20 of £0.65m includes the following:

- Ongoing ICT rolling replacement programme, £0.1m,
- Replacement of telephony system (phase 2 of 2), £0.1m
- Network Hardware Replacement (EOL Switches), £0.2m
- PSN core network development, ESN Enablement, £0.15m
- Other (including mobile phone replacement), £0.1m

8. Funding the Programme

Appendix 1 also details the proposed funding strategy for the 2019/20 programme together with indications for the funding of the next two years. For 2019/20, the programme will be funded by a combination of Government Grant, Earmarked Reserves and the use of Internal Cash. This is also reviewed within the Treasury Management Strategy Report.

The Authority will also seek to fund as much of the programme as possible through direct revenue contribution should additional savings be available in year.

9. Minimum Revenue Provision (MRP) Policy Statement

The Staffordshire Commissioner Fire and Rescue Authority is required each year to set aside some of its revenues as provision for debt repayment. This MRP provision essentially allows the Authority to “pay off” an element of the Capital Financing Requirement annually through a revenue charge known as the Minimum Revenue Provision (MRP).

The MRP was previously defined by statute with regulations providing for MRP as a 4% charge in respect of the amount of the Capital Financing Requirement (CFR). Under current regulations, the rules have been replaced with a general duty for a local authority to make an MRP charge to revenue which it considers prudent. The new regulation does not itself define “prudent provision”. However, guidance has been issued specifying methods for MRP calculation, which the Secretary of State considers prudent thereby effectively determining prudent provision.

Regulations require the Authority to approve an MRP Statement in advance of each year. It is recommended that the Authority continue to apply a MRP to capital expenditure funded by borrowing under the ‘Asset Life Method’: which calculates the MRP charge based on the estimated life of the asset for which the borrowing is undertaken.

The total level of debt for this Authority as at 31 March 2019 is forecast to be around £25.9m, and is forecast to increase to £26.4m by March 2022 based upon the capital investment requirements outlined within this paper.

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Summary Proposed Capital Programme 2019/20 to 2021/22

	2019/20 Budget	2020/21 Estimate	2021/22 Estimate
	£	£	£
Building & Infrastructure Works			
Refurbishment Programme	2,018,695	518,000	
Improvement Works	415,000	214,228	150,000
Total	2,433,695	732,228	150,000
Operational Equipment	407,750	287,000	125,000
Appliances & Vehicles			
Appliances & Specialist Vehicles	1,064,384	250,000	1,000,000
Vans & Cars	165,000	150,000	150,000
Total	1,229,384	400,000	1,150,000
Information Technology			
ICT Hardware, Software Systems & Installations	650,000	300,000	550,000
Total	650,000	300,000	550,000
Other Capital Spend			
Total Capital Programme	4,720,829	1,719,228	1,975,000
Funding			
Supported Borrowing			
Unsupported Borrowing	2,157,442	1,519,228	1,804,658
Capital Grant	1,531,695		
Use of Specific Reserves (Abbots Bromley)	417,000		
Use of Specific Reserves	614,692	200,000	170,343
Total Funding	4,720,829	1,719,228	1,975,000

Appendix 2

Staffordshire Commissioner Fire and Rescue Authority Detailed Capital Programme 2019/20

Scheme Description	Detail	Bring / Carry Forward	Approved 2019/20 Programme (FRA Approved) £	Additions / Amendments to 2019/20 Programme	REVISED 2019/20 Submission £
IADS Stafford Refurbishment Abbots Bromley Refurbishment Abbots Bromley Drill Tower Replacement		C/Fwd from 18/19 C/Fwd from 18/19 C/Fwd from 18/19		1,531,695 417,000 70,000	1,531,695 417,000 70,000
Building Works - Improvements HQ - L&D - Drill Yard CCTV Installs Longnor - Replace Heating System HQ - Old House - Steel Staircase	Resurfacing and drainage works Incl. £15k for Workshops (B/Fwd from 20/21) Replacement of Heating System	C/Fwd from 18/19 C/Fwd from 18/19	- -	2,018,695 300,000 25,000 50,000 40,000	2,018,695 300,000 25,000 50,000 40,000
Operational Equipment Appliance Equipment - Hydraulic Cutting Equipment Thermal Image Cameras Toms Toms FF Decontamination Equipment Wild-Fire specialist Equipment IS Hand Held Radios New Foam Equipment New Hose Reel Branches PPE Under Garments	Battery powered cutting equipment - 6 sets @ £17,000 Replacement due to warranty expiry (Phase 1 of 2) - 20 units @ £4,000 SatNavs for Officer cars to replace existing off IRU (2 units @ £15,000) Following hot Weather debrief 2018 (2 x Dams/ 3 x large LPPS) Fire Ground Radios (TBC) - Awaiting NFCC recommendation for existing WRCs For existing Scania Appliances (flow test at 100L/M) Following hot Weather debrief 2018 (£100/person)	 C/Fwd from 18/19 C/Fwd from 18/19	211,000 68,000 80,000	204,000 34,000 13,750 30,000 17,000 80,000 10,000 25,000 50,000	415,000 102,000 80,000 13,750 30,000 17,000 80,000 10,000 25,000 50,000
Appliances & Vehicles 2 PRL 1 ALP 15 Light Vehicles	2 x PRL Pumping Appliances (£247,458 per vehicle) As per payment profile schedule Payment profiling - Build and delivery Mix of Cars & Vans	 C/Fwd from 18/19	271,200 494,916 1,000,000 165,000	136,550 (130,532) (300,000)	407,750 364,384 700,000 165,000
Information Technology ICT Rolling Programme Telephony Replacement Network Hardware Replacement PSN Core Network ESN Enablement (1 of 2) Conference Room Equipment Mobile Phone Contract Renewal	Phone System Replacement June 2019 (Phase 2 of 2) EOL Switches Additional requirement (Incl. £50k carry forward from 2018/19)	 C/Fwd from 18/19 C/Fwd from 18/19	1,659,916 150,000 100,000 100,000	(430,532) (50,000) 130,000 100,000 50,000 30,000 40,000	1,229,384 100,000 100,000 230,000 100,000 50,000 30,000 40,000
Overall Total			350,000 2,492,116	300,000 2,228,713	650,000 4,720,829

Staffordshire Commissioner Fire and Rescue Authority Prudential Indicators

A. Indicators for Affordability, Prudence and Capital Expenditure

1. Ratio of Financing Costs to Net Revenue Stream

Estimate 2019/20	Estimate 2020/21	Estimate 2021/22
%	%	%
11.5	4.2	4.8

This shows the capital financing costs (interest charges/receipts and repayment of loans) as a proportion of government grant (revenue) and Council Tax. This allows the Authority to track how much of its annual income is needed to pay for its capital investment plans proportionate to its day to day running costs.

2. Estimates of Capital Expenditure

Estimate 2019/20	Estimate 2020/21	Estimate 2021/22
£m	£m	£m
4.720	1.719	1.975

Expressed in absolute terms rather than as a ratio, this shows the overall level of capital investment irrespective of how it is being funded.

3. Capital Financing Requirement

Estimate 2019/20	Estimate 2020/22	Estimate 2021/22
£m	£m	£m
26.6	26.4	26.4

This indicator effectively shows the level of the Authority's underlying need to borrow for capital purposes.

Net borrowing is not expected to exceed the total of the capital financing requirement (except in the short term)

It is a key indicator of prudence that, over the medium term, net borrowing is only for capital purposes.

B. Indicators for Treasury Management

1. Treasury Management Code of Practice

The Authority has adopted the CIPFA Code of Practice on Treasury Management

2. External Debt

	2019/20 £m	2020/21 £m	2021/22 £m
a. Authorised Limit	34.1	31.6	31.6
b. Operational Boundary	30.0	29.6	29.4

This indicator identifies two limits in relation to external debt, and excludes PFI.

The Authorised Limit is the maximum level of external borrowing which should not be exceeded. The limit is linked to the estimated level of borrowing assumed in the Capital Programme.

In addition an Operational Boundary is required which represents the Treasurer's estimate of the day to day limit for the Treasury Management activity based on the most likely i.e. prudent but not worst case scenario.

3. Interest Rate Exposure

	2019/20	2020/21	2021/22
a. Upper Limit £m	26.6	26.4	26.4
b. Upper Limit (Variable)	(25)	(25)	(25)

Upper limits of fixed and variable borrowing and investments are required to be set. This limits the Authority's exposure to both fixed and variable interest rate movements as part of the overall risk management strategy for Treasury Management activities.

4. Maturity Structure of Borrowing Upper limit Lower limit

	Upper Limit	Lower Limit
under 12 months	10%	0%
12 months and within 24 months	10%	0%
24 months and within 5 years	30%	0%
5 years and within 10 years	50%	0%
10 years and above	100%	25%

This indicator identifies the amount of debt maturing in specified periods. The overarching principle is that steps should be taken from a risk management point of view to limit exposure to significant refinancing risk in any short period of time. The Authority currently applies the prudent practice of ensuring that no more than 10% of its total gross fixed rate debt matures in any one financial year.

5. Upper limit for total principal sums invested for over 364 days (per maturity date)

Not applicable

Any investments made for over 364 days will be in accordance with the Authority's limit on non specified investments.