

Prudential and Treasury Indicators

Prudential Indicators

Ratio of Financing Costs to Net Revenue Stream

2021/22 Actual %	2022/23 Estimate %	2022/23 Actual %
-0.17	2.22	-0.80
2021/22 Actual £000	2022/23 Estimate £000	2022/23 Actual £000
-33.70	501.53	-186.00

This indicator shows the proportion of the net revenue stream (revenue budget) that is attributable to financing costs of capital expenditure. A negative figure shows investment income is higher than borrowing costs. This indicator is shown as a percentage and as a monetary value of the net revenue budget. Expected borrowing was not fully utilised during 2021/22 and the same is forecasted for 2022/23, which is the reason there is a negative result.

Capital Expenditure

2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
26.431	34.530	9.059

This indicator shows the total capital expenditure against budget.

Capital Financing Requirement

2021/22 Actual £m	2022/23 Original Est £m	2022/23 Revised Est £m
66.202	94.093	88.048

The Capital Financing Requirement (CFR) measures a vital component of an authority's capital strategy: the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. This measures the Authority's underlying need to borrow for a capital purpose. Borrowing can be made external or using the Council's own resources (internal borrowing). This includes the current year's capital expenditure.

Actual External Debt

2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
9.000	27.554	5.000

This indicator shows the Council level of gross debt as at 30th September 2022.

Treasury Indicators

Authorised Limit for External Debt

	2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
Borrowing	11.000	67.388	9.000
Other Long Term Liabilities	2.010	1.473	1.473
Total	13.010	68.861	10.473

This is the main limit which is set as a maximum for external borrowing. It fulfils the requirements under section 3 of the Local Government Act 2003. This includes the level of external borrowing and the financial liability in regards to the leisure centre.

Operational Limit for External Debt

	2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
Borrowing	11.000	57.388	9.000
Other Long Term Liabilities	2.010	1.473	1.473
Total	13.010	58.861	10.473

This limit should be the focus of day to day treasury management. It is similar to the Authorised Limit but excludes the allowance for temporary cash flow borrowing as perceived as not necessary on a day to day basis. This limit acts as a warning but can be breached temporarily.