

## 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	-2.20
2021/22 Actual £000	2022/23 Estimate £000	2022/23 Actual £000
-33.70	501.53	-505.90

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. Investment income was higher during the year due to interest rate increases, whilst loan balances were lower than predicted.

#### Capital Expenditure

2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
26.431	34.530	16.639

This indicator shows the total capital expenditure against budget.

#### Capital Financing Requirement

2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
66.203	94.093	71.609

The Capital Financing Requirement (CFR) 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. The Council is in an under-borrowing position and has predominately used its reserves to fund the capital programme.

#### Actual External Debt

2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
9.000	15.582	10.000

This indicator shows the Council level of gross debt as at 31st March 2023.

### Treasury Indicators

#### Authorised Limit for External Debt

	2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
Borrowing	11.000	67.388	16.000
Other Long Term Liabilities	2.010	1.473	1.473
Total	13.010	68.861	17.473

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	16.000
Other Long Term Liabilities	2.010	1.473	1.473
Total	13.010	58.861	17.473

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.

#### Maturity structure of fixed rate borrowing

	Original Limits £m	Actual £m
Under 12 months	4	13.5
12 months to under 24 months	0	5
24 months to under 5 years	0	0
5 years to under 10 years	0	0
10 years and within 20 years	0	0
20 years and within 30 years	0	0
30 years and within 40 years	0	0
40 years and within 50 years	5	5

Borrowing at the beginning of the year totalled £9m. £18.5m of new loans were required throughout the year for liquidity purposes and to refinance maturing short-term debt. Loan balances at the end of the year totalled £10m (£5m short-term and £5m long-term PWLB loans).