

## Prudential and Treasury Indicators

### Prudential Indicators

#### Ratio of Financing Costs to Net Revenue Stream

2022/23 Actual %	2023/24 Estimate %	2023/24 Revised Est %
-2.18	1.79	-2.13
2022/23 Actual £000	2023/24 Estimate £000	2023/24 Revised Est £000
-506.00	461.53	-550.00

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 2022/23 and the same is forecasted for 2023/24, which is the reason there is a negative result.

#### Capital Expenditure

2022/23 Actual £m	2023/24 Estimate £m	2023/24 Revised Est £m
32.631	54.999	38.994

This indicator shows the expected total capital expenditure for 2023/24 against Original Estimate.

#### Capital Financing Requirement

2022/23 Actual £m	2023/24 Original Est £m	2023/24 Revised Est £m
88.048	118.378	102.373

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

#### Actual External Debt

2022/23 Actual £m	2023/24 Estimate £m	2023/24 Revised Est £m
10.000	60.992	45.000

The Authority has gross debt total of £9m as at 30th September 2023. However, it has committed to borrowing an additional £40m by the end of 2023/24 where £4m short term debt will be repaid

### Treasury Indicators

#### Authorised Limit for External Debt

	2021/22 Actual £m	2023/24 Estimate £m	2023/24 Revised Est £m
Borrowing	20.000	78.778	60.000
Other Long Term Liabilities	1.473	0.905	0.905
Total	13.010	79.683	60.905

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	2023/24 Estimate £m	2023/24 Revised Est £m
Borrowing	10.000	68.778	50.000
Other Long Term Liabilities	1.473	0.905	0.905
Total	13.010	69.683	50.905

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.