

Prudential and Treasury Indicators

Prudential Indicators

Ratio of Financing Costs to Net Revenue Stream

2022/23 Actual %	2023/24 Estimate %	2023/24 Actual %
(2.20)	(2.13)	(2.66)
2022/23 Actual £000	2023/24 Estimate £000	2023/24 Actual £000
(505.90)	(550.00)	(685.00)

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

Capital Expenditure

2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
16.639	38.994	29.943

This indicator shows the total capital expenditure against budget.

Capital Financing Requirement

	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
As at 31st March	71.609	102.373	93.687
Annual Change	21.097	30.764	22.078

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.

Gross Borrowing Requirement

	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Brought forward 1 April	9.000	10.000	10.000
Carried forward 31 March	10.000	37.000	45.000
In year borrowing requirement	1.000	27.000	35.000

This indicator shows the in year borrowing requirement of the Authority.

Gross Debt

2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
10.000	45.000	45.000

This indicator shows the Council level of gross debt as at 31st March 2024.

Treasury Indicators

Authorised Limit for External Debt

	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Borrowing	16.000	60.000	47.000
Other Long Term Liabilities	1.473	0.905	0.905
Total	17.473	60.905	47.905

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

	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Borrowing	16.000	50.000	47.000
Other Long Term Liabilities	1.473	0.905	0.905
Total	17.473	50.905	47.905

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.

Maturity structure of fixed rate borrowing

	Upper Limits %	Lower Limits %
Under 12 months	20	0
12 months to under 24 months	20	0
24 months to under 5 years	20	0
5 years to under 10 years	20	0
10 years and within 20 years	20	0
20 years and within 30 years	20	0
30 years and within 40 years	20	0
40 years and within 50 years	30	0

Maturity structure of borrowing. These gross limits are set to reduce the Authority's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits. Current borrowing is long term and it not expected to be repaid within the next 40 years, however limits are in place if further shorter term borrowing is requirewd to fund the Capital Programme