

Prudential Indicators Q3 2023/24

The Authority measures and manages its capital expenditure, borrowing and commercial investments with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

Capital Expenditure: The Authority has undertaken and is planning capital expenditure as summarised below.

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget
General Fund services (£m)	2.77	3.27	4.58	2.71

Capital Financing Requirement: The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt.

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget
Capital investments (£m)	53.54	52.59	51.62	50.62
TOTAL CFR (£m)	53.54	52.59	51.62	50.62

Gross Debt and the Capital Financing Requirement: Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	Debt at 31.12.2023
Debt (incl. PFI & leases) (£m)	30.33	19.79	19.26	18.73	20.07
Capital Financing Requirement (£m)	53.54	52.59	51.62	50.62	

Debt and the Authorised Limit and Operational Boundary: The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Appendix C

	Maximum debt Q3 2023/24	Debt at 31.12.23	2023/24 Authorised Limit	2023/24 Operational Boundary	Complied? Yes/No
Borrowing (£'000)	30,333	20,067	50,000	40,000	Yes
Total debt (£'000)	30,333	20,067	50,000	40,000	

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Net Income from Commercial and Service Investments to Net Revenue Stream: The Authority's income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget
Total net income from service and commercial investments (£m)	3.14	3.43	2.77	2.06
Proportion of net revenue stream	22.27%	26.27%	19.86%	14%

Proportion of Financing Costs to Net Revenue Stream: Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue.

The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget
Financing costs (£m)	1.390	1.367	1.383	1.400
Proportion of net revenue stream	9.88%	10.48%	9.90%	9.51%