

TREASURY AND PRUDENTIAL INDICATORS

1. Capital Expenditure and Financing

This indicator shows the capital expenditure plans for the year and demonstrates how those plans are expected to be financed.

	2023/24 Approved Budget £	Position as at 30th June 2023 £	2023/24 Revised Estimate £
Total Capital Programme	3,618,500	899,929	9,187,982
Financed by:			
Capital receipts	525,000	233,458	779,551
Capital grants and contributions	706,000	182,075	2,080,222
Capital reserves	92,000	0	92,000
Revenue contributions	0	1,545	112,729
Total Financing	1,323,000	417,078	3,064,502
Borrowing Requirement	2,295,500	482,851	6,123,480

The Revised Capital Programme includes expenditure and resources brought forward from 2022/23 totalling £5,349,204.

2. Capital Financing Requirement

The Capital Financing Requirement (CFR) is a measure of the Council's underlying need to borrow for capital purposes. It will increase as the Council incurs capital expenditure which cannot be met from other resources, but this will be partially offset by revenue repayments for the year (the Minimum Revenue Provision).

	2023/24 Approved Budget £	Position as at 30th June 2023 £	2023/24 Revised Estimate £
CFR as at 1 st April 2023	18,334,226	14,486,025	14,486,025
Capital Expenditure in Year	3,618,500	899,929	9,187,982
Financing in Year	(1,323,000)	(417,078)	(3,064,502)
Minimum Revenue Provision	(478,077)	0	(478,077)
Voluntary Revenue Provision	(250,000)	0	(250,000)
CFR as at 31st March 2024	19,901,649	14,968,876	19,881,428

3. The Portfolio Position

The table below compares the Council's actual external debt, including other long-term liabilities such as finance leases, with the CFR. This indicator also acts as a limit to borrowing activity. Gross external debt should not, except in the short term, exceed the total of CFR in the preceding year plus the estimated additional CFR for 2023/24 and the next two financial years. This allows some limited flexibility for borrowing in advance of need. No difficulties are envisaged in complying with this indicator for the current or future financial years.

	2023/24 Approved Budget £	Position as at 30th June 2023 £	2023/24 Revised Estimate £
External Debt			
Debt at 1 st April 2023	7,229,939	5,929,939	5,929,939
Finance Leases at 1 st April 2023	455,157	455,157	455,157
Estimated Borrowing 2023/24	2,000,000	0	3,300,000
Estimated Loan Repayments	(216,500)	0	(216,500)
Estimated Lease Repayments	(266)	0	(266)
Estimated Debt at 31st March 2024	9,468,330	6,385,096	9,468,330
CFR (as above)	19,901,649	14,968,876	19,881,428
Under/(Over) Borrowing	10,433,319	8,583,780	10,413,098

4. Operational Boundary for External Debt

This is the limit which external debt is not normally expected to exceed. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt.

	2023/24 Approved Budget £	Position as at 30th June 2023 £	2023/24 Revised Estimate £
Borrowing	20,200,000	5,929,939	20,200,000
Other Long-Term Liabilities	500,000	455,157	500,000
Total	20,700,000	6,385,096	20,700,000

5. Authorised Limit for External Debt

A further key prudential indicator represents a control on the maximum level of borrowing. This is the limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

	2023/24 Approved Budget £	Position as at 30th June 2023 £	2023/24 Revised Estimate £
Borrowing	22,444,400	5,929,939	22,444,400
Other Long-Term Liabilities	555,600	455,157	555,600
Total	23,000,000	6,385,096	23,000,000

6. Treasury Management Limits on Activity

There is a further debt related treasury activity limit. The purpose of this is to manage risk and reduce the impact of any adverse movement in interest rates. However, if it is too restrictive it will impair the opportunities to reduce costs and/or improve performance. The indicator is:

- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

	2023/24 Approved Budget £	Position as at 30 th June 2023 £	2023/24 Revised Estimate £
Maturity structure of fixed interest rate borrowing:			
Under 12 months	100%	16.30%	100%
12 months to 2 years	100%	14.43%	100%
2 years to 5 years	100%	1.81%	100%
5 years to 10 years	100%	0.00%	100%
10 years and above	100%	67.45%	100%

7. Investments Greater Than 364 Days

This limit is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and is based on the availability of investments after each year-end.

The Council invested £1m in the Lothbury Property Trust in December 2019. On 30th June 2023 the Net Asset Value (NAV) of this investment was £0.831m.

	2023/24 Approved Budget £	Position as at 30 th June 2023 £	2023/24 Revised Estimate £
Principal sums invested > 364 days	6,000,000	1,000,000	6,000,000