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.

	2024/25 Approved Budget £	Position as at 30th June 2024 £	2024/25 Revised Estimate £
Total Capital Programme	**3,826,900**	**673,306**	**8,362,558**
Financed by:			
Capital receipts	574,000	424,778	1,464,711
Capital grants and contributions	1,492,647	191,071	2,446,102
Capital reserves	94,315	16,681	145,315
Revenue contributions	0	82	100,082
Total Financing	**2,160,962**	**632,612**	**4,156,210**
Borrowing Requirement	**1,665,938**	**40,694**	**4,206,348**

The Revised Capital Programme includes expenditure and resources brought forward from 2023/24 totalling £4,528,430.

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).

	2024/25 Approved Budget £	Position as at 30th June 2024 £	2024/25 Revised Estimate £
CFR as at 1st April 2024	19,907,475	16,560,287	16,560,287
Capital Expenditure in Year	3,826,900	673,306	8,362,558
Financing in Year	(2,160,962)	(632,612)	(4,156,210)
Minimum Revenue Provision	(748.865)	0	(748.865)
Voluntary Revenue Provision	(300,000)	0	(300,000)
CFR as at 31st March 2024	**20,524,548**	**16,600,981**	**19,717,770**

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 2024/25 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.

	2024/25 Approved Budget £	Position as at 30th June 2024 £	2024/25 Revised Estimate £
External Debt			
Debt at 1st April 2024	9,013,439	4,963,439	4,963,439
Finance Leases at 1st April 2024	454,891	454,864	454,864
Estimated Borrowing 2024/25	3,300,000	0	1,500,000
Estimated Loan Repayments	(855,837)	0	(855,837)
Estimated Lease Repayments	(293)	0	(293)
Estimated Debt at 31st March 2025	**11,912,200**	**5,418,303**	**6,062,173**
CFR (as above)	**20,524,548**	**16,600,981**	**19,717,770**
Under/(Over) Borrowing	**8,612,348**	**11,182,678**	**13,655,597**

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.

	2024/25 Approved Budget £	Position as at 30th June 2024 £	2024/25 Revised Estimate £
Borrowing	18,200,000	4,963,439	18,200,000
Other Long-Term Liabilities	2,500,000	454,864	2,500,000
Total	**20,700,000**	**5,418,303**	**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.

	2024/25 Approved Budget £	Position as at 30th June 2024 £	2024/25 Revised Estimate £
Borrowing	20,222,200	4,963,439	20,222,200
Other Long-Term Liabilities	2,777,800	454,864	2,777,800
Total	**23,000,000**	**5,418,303**	**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 30th June 2024 £**	**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 £0.739m. The investment is being transferred as capital distributions to UBS (UBS Triton property fund LP). The remaining Lothbury valuation as at 31/07/24 will be: £337,316 a further capital distribution on 9 August 2024 will be made and the remaining balance will be £299,823.

As at 31st July 2024 the UBS Triton Property Fund LP investment value stood at £395,610.

The Bank hope to complete the Lothbury transfers by the end of February 2025

	2023/24 Approved Budget £	**Position as at 30th June 2024 £**	**2023/24 Revised Estimate £**
Principal sums invested > 364 days	6,000,000	1,000,000	6,000,000