

## **PRUDENTIAL AND TREASURY INDICATORS**

### **1. Capital Expenditure and Financing**

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

	<b>2023/24 Actual £</b>	<b>2024/25 Budget £</b>	<b>2024/25 Actual £</b>
<b>Capital Expenditure</b>			
S106-backed schemes	534,928	381,235	88,177
Other schemes	6,461,665	10,268,776	4,520,802
<b>Total Capital Programme</b>	<b>6,996,593</b>	<b>10,650,011</b>	<b>4,608,979</b>
<b>Financed by:</b>			
Capital receipts	(730,959)	(1,494,710)	(470,922)
Capital grants and contributions	(2,596,933)	(5,124,130)	(2,810,628)
Capital reserves	(371)	(145,315)	(89,227)
Revenue contributions	(4,000)	(100,082)	(82)
<b>Total Financing</b>	<b>(3,332,263)</b>	<b>(6,864,237)</b>	<b>(3,370,859)</b>
<b>Borrowing Requirement</b>	<b>(3,664,330)</b>	<b>3,785,744</b>	<b>1,238,120</b>

### **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).

	<b>2023/24 Actual £</b>	<b>2024/25 Budget £</b>	<b>2024/25 Actual £</b>
CFR as of 1st April 2024	14,486,025	17,365,910	17,365,910
Capital Expenditure in Year	6,996,593	10,247,677	4,184,696
IFRS16 lease additions	0	402,334	424,283
Financing in Year	(3,332,263)	(6,864,237)	(3,370,859)
IFRS Adjustment	0	0	(3,916)
Minimum Revenue Provision	(484,445)	(610,820)	(610,520)
Voluntary Revenue Provision	(300,000)	(300,000)	(300,000)
CFR as of 31st March 2025	<b>17,365,910</b>	<b>20,240,864</b>	<b>17,689,594</b>

### **3. Ratio of Financing Costs to Net Revenue Stream**

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs, net of investment income) against the net revenue stream.

	<b>2023/24 Actual</b>	<b>2024/25 Budget</b>	<b>2024/25 Actual</b>
Ratio	8.14%	8.55%	8.81%

#### 4. 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.

	2023/24 Actual £	2024/25 Budget £	2024/25 Actual £
<b>External Debt</b>			
Debt on 1st April 2024	5,929,939	5,713,439	5,713,439
Leases at 1st April 2024	455,157	454,891	454,864
Leases in year	0	402,334	424,283
Borrowing 2024/25	0	2,400,000	0
Loan Repayments		(855,837)	(855,337)
Lease Repayments	(216,766)	(15,486)	(15,186)
<b>Debt at 31st March 2025</b>	<b>6,168,330</b>	<b>8,099,341</b>	<b>5,721,563</b>
<b>CFR (as above)</b>	<b>17,365,910</b>	<b>20,240,864</b>	<b>17,689,594</b>
<b>Under/(Over) Borrowing</b>	<b>(11,227,580)</b>	<b>(12,141,523)</b>	<b>(11,968,031)</b>

#### 5. 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 Actual £	2024/25 Budget £	2024/25 Actual £
Borrowing	5,713,439	18,200,000	4,857,602
Other Long-Term Liabilities	454,891	2,500,000	454,864
<b>Total</b>	<b>6,168,330</b>	<b>20,700,000</b>	<b>5,312,466</b>

#### 6. 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 Actual £	2024/25 Budget £	2024/25 Actual £
Borrowing	5,713,439	20,222,200	4,857,602
Other Long-Term Liabilities	454,891	2,777,800	454,864

<b>Total</b>	<b>6,183,330</b>	<b>23,000,000</b>	<b>5,312,466</b>
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## 7. Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these is to manage risk and reduce the impact of any adverse movement in interest rates. However, if these are too restrictive, they will impair the opportunities to reduce costs and/or improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates.
- 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.

	<b>2023/24 Actual</b>	<b>2024/25 Budget</b>	<b>2024/25 Actual</b>
Maturity structure of fixed interest rate borrowing:			
Under 12 months	14.99%	100.00%	17.65%
12 months to 2 years	15.01%	100.00%	0.00%
2 years to 5 years	0.00%	100.00%	0.00%
5 years to 10 years	0.00%	100.00%	0.00%
10 years and above	70.00%	100.00%	82.35%

## 8. Investments Greater Than 365 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.

	<b>2024/25 Actual £</b>	<b>2024/25 Budget £</b>	<b>2024/25 Actual £</b>
Principal sums invested > 365 days	754,696	6,000,000	754,696

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