

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.

	2025/26 Approved Budget £	Position as at 31st December 2025 £	2025/26 Revised Estimate £
Total Capital Programme	1,422,512	2,819,343	7,569,120
IFRS16 lease additions	0	0	736,000
Financed by:			
Capital receipts	28,000	388,812	816,280
Capital grants and contributions	660,000	1,175,360	3,289,526
Capital reserves	54,500	33,976	111,204
Revenue contributions	0	52,184	150,000
Total Financing	742,500	1,650,332	4,367,010
Borrowing Requirement	680,012	1,169,011	3,938,110

The Revised Capital Programme includes expenditure and resources brought forward from 2024/25 totalling £5,884,382.

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).

	2025/26 Approved Budget £	Position as at 31st December 2025 £	2025/26 Revised Estimate £
CFR as at 1 st April 2025	20,225,620	17,689,594	17,689,594
Capital Expenditure in Year	1,422,512	2,819,343	8,305,120
Financing in Year	(742,500)	(1,650,332)	(4,367,010)
Minimum Revenue Provision	(1,000,318)	0	(789,016)
Voluntary Revenue Provision	(250,000)	0	(250,000)
CFR as at 31st March 2026	19,655,314	18,858,605	20,588,688

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 2025/26 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.

	2025/26 Approved Budget £	Position as at 31st December 2025 £	2025/26 Revised Estimate £
External Debt			
Debt at 1 st April 2025	4,857,602	4,857,602	4,857,602
Leases at 1 st April 2025	841,739	860,070	860,070
Estimated Borrowing 2025/26	1,250,000	0	0
Estimated Loan Repayments	(857,602)	(803,578)	(857,602)
Estimated Leases 2025/26	0	0	736,107
Estimated Lease Repayments	(16,331)	0	(74,091)
Estimated Debt at 31st March 2026	6,075,408	4,914,093	5,522,088
CFR (as above)	19,655,314	18,858,605	20,588,688
Under/(Over) Borrowing	13,579,906	13,944,512	15,066,600

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.

	2025/26 Approved Budget £	Position as at 30 th December 2025 £	2025/26 Revised Estimate £
Borrowing	18,800,000	4,054,023	18,300,000
Other Long-Term Liabilities	1,000,000	860,070	1,500,000
Total	19,800,000	4,914,093	19,800,000

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.

	2025/26 Approved Budget £	Position as at 31st December 2025 £	2025/26 Revised Estimate £
Borrowing	20,800,000	4,054,023	20,600,000
Other Long-Term Liabilities	1,200,000	860,070	1,400,000
Total	22,000,000	4,914,093	22,000,000

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.

	2025/26 Approved Budget £	Position as at 31st December 2025 £	2025/26 Revised Estimate £
Maturity structure of fixed interest rate borrowing:			
Under 12 months	100%	17.65%	100%
12 months to 2 years	100%	0%	100%
2 years to 5 years	100%	0%	100%
5 years to 10 years	100%	0%	100%
10 years and above	100%	82.35%	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 30/08/25 was: £55,730. The Lothbury fund is in the finalisation winding up stage and the final distribution of the fund will be of a very minimal value.

As at 31st December 2025 the UBS Triton Property Fund LP investment value stood at £737,690.34

	2025/26 Approved Budget £	Position as at 31st December 2025 £	2025/26 Revised Estimate £
Principal sums invested > 364 days	6,000,000	737,690	6,000,000