

## Prudential Indicators 2022/23 Outturn (31.03.23)

|   | Prudential Indicator  |   | 2022/23        | 2023/24        | 2024/25        | 2025/26        | 2026/27        | 2026/27        |
|---|---|---|----------------|----------------|----------------|----------------|----------------|----------------|
| 1 | <b>Capital expenditure</b><br>To allow the authority to plan for capital financing as a result of the capital programme and enable the monitoring of capital budgets.   | GF  | £50.8m         | £218.7m        | £67.1m         | £25.5m         | £23.8m         | £24.3m         |
|   |   | HRA   | £28.5m         | £65.9m         | £38.2m         | £32.8m         | £25.1m         | £12.1m         |
|   |   | Other LT  | £0.0m          | £0.0m          | £3.4m          | £0.5m          | £0.5m          | £0.5m          |
|   |   | <u>Total</u>  | <u>£79.3m</u>  | <u>£284.6m</u> | <u>£108.7m</u> | <u>£58.8m</u>  | <u>£49.4m</u>  | <u>£36.9m</u>  |
| 2 | <b>CFR</b><br>Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing increases the CFR.  | GF  | £292.8m        | £391.6m        | £403.0m        | £404.9m        | £408.2m        | £414.0m        |
|   |   | HRA   | £146.4m        | £146.4m        | £149.8m        | £153.4m        | £153.4m        | £153.4m        |
|   |   | Other LT  | £42.8m         | £41.7m         | £44.1m         | £42.9m         | £41.7m         | £40.6m         |
|   |   | <u>Total</u>  | <u>£481.9m</u> | <u>£579.7m</u> | <u>£596.9m</u> | <u>£601.1m</u> | <u>£603.2m</u> | <u>£608.0m</u> |
| 3 | <b>Liability Benchmark</b><br>The Liability Benchmark is based on current capital plans and cash flow assumptions, therefore giving the Council an indication of how much it needs to borrow, when it is likely to need to borrow, and where to match maturities to its planned borrowing needs. The liability benchmark makes no assumption about the level of future prudential borrowing in unknown capital budgets. | <p style="text-align: center;"><b>Liability Benchmark</b></p> <p>The chart illustrates the projected total amount of loans over time. PWLB Loans (solid blue line) peak at approximately £550,000 in 2028 and then decline to around £150,000 by 2050. LOBO Loans (solid black line) peak at approximately £300,000 in 2028 and decline to near zero by 2050. Variable rate loans (dashed blue line) peak at approximately £400,000 in 2028 and decline to near zero by 2050. Net Loans Requirement (forecast net loan debt) (solid orange line) peaks at approximately £400,000 in 2028 and declines to near zero by 2050. Liability Benchmark (Gross Loans Requirement) (dashed red line) peaks at approximately £400,000 in 2028 and declines to near zero by 2050. Market Loans (excl LOBO loans) (solid orange line) peak at approximately £400,000 in 2028 and decline to near zero by 2050. Short Term inc LA Temporary Borrowing (&lt;1 year) (dashed orange line) peaks at approximately £400,000 in 2028 and declines to near zero by 2050. Existing Loan Debt Outstanding (solid black line) peaks at approximately £300,000 in 2028 and declines to near zero by 2050. Loans CFR (solid blue line) peaks at approximately £550,000 in 2028 and declines to around £150,000 by 2050.</p> |                |                |                |                |                |                |
| 4 | <b>Ratio of financing costs to net revenue stream</b><br>An estimate of the cost of borrowing in relation to the net cost of Council services to be met from government grant and council taxpayers. In the case of the HRA the net   | GF  | 8.13%          | 11.63%         | 13.87%         | 14.46%         | 14.57%         | 14.75%         |
|   |   | HRA   | 11.04%         | 9.92%          | 9.52%          | 9.31%          | 9.10%          | 8.88%          |
|   |   | <u>Total</u>  | <u>8.68%</u>   | <u>11.30%</u>  | <u>13.04%</u>  | <u>13.48%</u>  | <u>13.54%</u>  | <u>13.68%</u>  |

## Annex A

|        | Prudential Indicator   |   | 2022/23  | 2023/24  | 2024/25  | 2025/26  | 2026/27  | 2026/27  |
|--------|--|---|--|--|--|--|--|--|
|        | <p>revenue stream is the income from rents.<br/> <i>Note that in future years some of the forecast debt will be directly funded by business rates income and a number of other self financing schemes, where income is generated to meet the cost of investment in the scheme. Therefore the actual figure will be lower than shown here.</i></p>  |   |  |  |  |  |  |  |
| 5      | <p><b>External debt</b><br/>           To ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose and so not exceed the CFR.</p>  | <p>Gross Debt</p> <p>Invest</p> <p>Net Debt</p> | <p>£344.1m</p> <p>£10.8m</p> <p>£333.3m</p>  | <p>£448.0m</p> <p>£15.0m</p> <p>£433.0m</p>  | <p>£474.7m</p> <p>£15.0m</p> <p>£459.7m</p>  | <p>£489.5</p> <p>£15.0m</p> <p>£474.5m</p>   | <p>£502.9m</p> <p>£15.0m</p> <p>£487.9m</p>  | <p>£519.6m</p> <p>£15.0m</p> <p>£504.6m</p>  |
| 6<br>a | <p><b>Authorised limit for external debt</b><br/>           The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could be sustained for only a short period of time. The council sets an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long-term liabilities.</p> | <p>Borrowing / Other long term liabilities</p>  | <p>£525.0m</p> <p>£30.0m</p> <p>£555.0m</p> <p>(£555.0m set at 2022/23 Strategy)</p> | <p>£590.9m</p> <p>£30.0m</p> <p>£620.9m</p> <p>(£620.9m set at 2023/24 Strategy)</p> | <p>£606.9m</p> <p>£30.0m</p> <p>£636.9m</p> <p>(Based on current CFR projection)</p> | <p>£611.1m</p> <p>£30.0m</p> <p>£641.1m</p> <p>(Based on current CFR projection)</p> | <p>£613.2m</p> <p>£30.0m</p> <p>£643.2m</p> <p>(Based on current CFR projection)</p> | <p>£618.0m</p> <p>£30.0m</p> <p>£648.0m</p> <p>(Based on current CFR projection)</p> |

## Annex A

|        | Prudential Indicator   |  | 2022/23                           | 2023/24                           | 2024/25                           | 2025/26                           | 2026/27                           | 2026/27                           |
|--------|--|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| 6<br>b | <p><b>Operational boundary for external debt</b></p> <p>The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed authority limit. It is a direct link between the Council's plans for capital expenditure; our estimates of the capital financing requirement; and estimated operational cash flow for the year.</p> | Borrowing / Short Term Liquidity Requirement | £481.9m                           | £579.7m                           | £596.9m                           | £601.1m                           | £603.2m                           | £608.0m                           |
|        |  |  | £43.1m                            | £11.2m                            | £10.0m                            | £10.0m                            | £10.0m                            | £10.0m                            |
|        |  |  | £525.0m                           | £590.9m                           | £606.9m                           | £611.1m                           | £613.2m                           | £618.0m                           |
|        |  |  | (£525.0m set at 2022/23 Strategy) | (£590.9m set at 2023/24 Strategy) | (Based on current CFR projection) | (Based on current CFR projection) | (Based on current CFR projection) | (Based on current CFR projection) |

