

Prudential Indicators 2020/21 Mid-Year

	Prudential Indicator		2020/21	2021/22	2022/23	2023/24	2024/25	
1	Capital expenditure To allow the authority to plan for capital financing as a result of the capital programme and enable the monitoring of capital budgets.	GF	£102.5m	£99.4m	£126.3m	£84.7m	£15.7m	
		HRA	£42.2m	£63.4m	£39.2m	£34.6m	£8.3m	
		PFI	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	
		<u>Total</u>	<u>£144.7m</u>	<u>£162.8m</u>	<u>£165.5m</u>	<u>£119.3m</u>	<u>£24.0m</u>	
2	CFR 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	£280.2m	£313.9m	£327.3m	£338.7m	£333.7m	
		HRA	£146.4m	£146.4m	£146.4m	£146.4m	£146.4m	
		Other LT	£45.2m	£48.3m	£47.1m	£46.0m	£44.9m	
		<u>Total</u>	<u>£471.8m</u>	<u>£508.6m</u>	<u>£520.8m</u>	<u>£531.1m</u>	<u>£525.0m</u>	
3	Ratio of financing costs to net revenue stream 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 revenue stream is the income from rents. <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.</i>	GF	12.05%	16.12%	17.79%	19.19%	20.64%	
		HRA	11.63%	11.32%	11.01%	10.70%	10.43%	
		<u>Total</u>	<u>11.96%</u>	<u>15.11%</u>	<u>16.33%</u>	<u>17.31%</u>	<u>18.34%</u>	
4	External debt To ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of	Gross Debt	£365.7m	£408.8m	£434.9m	£460.6m	£470.5m	
		Invest	£8.0m	£10.0m	£10.0m	£10.0m	£10.0m	
		<u>Net Debt</u>	<u>£357.6m</u>	<u>£398.8m</u>	<u>£424.9m</u>	<u>£450.6m</u>	<u>£460.5m</u>	

Annex A

	Prudential Indicator		2020/21	2021/22	2022/23	2023/24	2024/25	
	investments, must only be for a capital purpose and so not exceed the CFR.							
5 a	<p>Authorised limit for external debt</p> <p>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>	Borrowing / Other long term liabilities	<p>£509.6m</p> <p>£30.0m</p> <hr/> <p>£539.6m</p> <p>(£539.6m set at 20/21 Strategy)</p>	<p>£518.6m</p> <p>£30.0m</p> <hr/> <p>£548.6m</p> <p>(Based on current CFR projection)</p>	<p>£530.8m</p> <p>£30.0m</p> <hr/> <p>£560.8m</p> <p>(Based on current CFR projection)</p>	<p>£541.1m</p> <p>£30.0m</p> <hr/> <p>£571.1m</p> <p>(Based on current CFR projection)</p>	<p>£535.0m</p> <p>£30.0m</p> <hr/> <p>£565.0m</p> <p>(Based on current CFR projection)</p>	
5 b	<p>Operational boundary for external debt</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	<p>£499.6m</p> <p>£10.0m</p> <hr/> <p>£509.6m</p> <p>(£509.6m set at 20/21 Strategy)</p>	<p>£508.6m</p> <p>£10.0m</p> <hr/> <p>£518.6m</p> <p>(Based on current CFR projection)</p>	<p>£520.8m</p> <p>£10.0m</p> <hr/> <p>£530.8m</p> <p>(Based on current CFR projection)</p>	<p>£531.1m</p> <p>£10.0m</p> <hr/> <p>£541.1m</p> <p>(Based on current CFR projection)</p>	<p>£525.0m</p> <p>£10.0m</p> <hr/> <p>£535.0m</p> <p>(Based on current CFR projection)</p>	

Annex A

6	Maturity structure of fixed rate borrowing To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long-term loans mature in different periods thus spreading the risk.	Maturity profile of debt against approved limits	Maturity Profile	Debt (£)	Debt (%)	Approved Minimum Limit	Approved Maximum Limit		
				Less than 1 yr	£12.0m	5%	0%	30%	In line with the TMSS Lobo loans are shown as due at their next call date as this is the date the lender could require payment.
				1 to 2 yrs	£5.0m	2%	0%	30%	
				2 to 5 yrs	£27.3m	10%	0%	40%	
				5 to 10 yrs	£55.4m	21%	0%	40%	
				10 yrs and above	£161.8m	62%	30%	90%	
				Total	£261.5m	100%	-	-	
7	Upper limit for total principal sums invested for over 364 days The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year. The limits are set as a percentage of the average balances of the investment portfolio.		£15m	£15m	£15m	£15m	£15m		