

## Prudential Indicators 2021/22 Outturn

	Prudential Indicator		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
1	<b>Capital expenditure</b> To allow the authority to plan for capital financing as a result of the capital programme and enable the monitoring of capital budgets.	GF	£50.3m	£130.5m	£118.0m	£58.0m	£22.3m	£21.0m
		HRA	£27.9m	£55.7m	£44.7m	£34.6m	£29.8m	£10.5m
		Other LT	£0.0m	£0.0m	£0.0m	£2.7m	£0.5m	£0.5m
		<u>Total</u>	<u>£78.2m</u>	<u>£186.2m</u>	<u>£162.7m</u>	<u>£95.3m</u>	<u>£52.6m</u>	<u>£32.0m</u>
2	<b>CFR</b> 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	£275.5m	£333.9m	£388.8m	£400.9m	£404.3m	£409.1m
		HRA	£146.4m	£146.4m	£146.4m	£149.8m	£153.4m	£153.4m
		Other LT	£44.0m	£42.8m	£41.7m	£43.3m	£42.1m	£41.0m
		<u>Total</u>	<u>£465.9m</u>	<u>£523.1m</u>	<u>£576.9m</u>	<u>£594.0m</u>	<u>£599.8m</u>	<u>£603.5m</u>
3	<b>Ratio of financing costs to net revenue stream</b> 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. Therefore the actual figure will be lower than shown here.</i>	GF	7.47%	9.60%	11.95%	13.60%	14.34%	15.07%
		HRA	13.89%	13.31%	12.81%	12.52%	12.34%	12.16%
		<u>Total</u>	<u>8.72%</u>	<u>10.32%</u>	<u>12.12%</u>	<u>13.38%</u>	<u>13.93%</u>	<u>14.46%</u>
4	<b>External debt</b> 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	Gross Debt	£350.0m	£412.8m	£473.7m	£499.3m	£514.1m	£527.9m
		Invest	£38.8m	£10.0m	£10.0m	£10.0m	£10.0m	£10.0m
		<u>Net Debt</u>	<u>£311.2m</u>	<u>£402.8m</u>	<u>£463.7m</u>	<u>£489.3m</u>	<u>£504.1m</u>	<u>£517.9m</u>

**Annex A**

	<b>Prudential Indicator</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	purpose and so not exceed the CFR.							
5 a	<p><b>Authorised limit for external debt</b></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	£526.1m £30.0m <hr/> £556.1m  (£556.1m set at 2021/22 Strategy)	£525.0m £30.0m <hr/> £555.0m  (£555.0m set at 2022/23 Strategy)	£586.9 £30.0m <hr/> £616.9m  (Based on current CFR projection)	£604.0m £30.0m <hr/> £634.0m  (Based on current CFR projection)	£609.8m £30.0m <hr/> £639.8m  (Based on current CFR projection)	£613.5m £30.0m <hr/> £643.5m  (Based on current CFR projection)
5 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	£465.9m £60.2m <hr/> £526.1m  (£526.1m set at 2021/22 Strategy)	£523.1m £1.9m <hr/> £525.0m  (£525.0m set at 2022/23 Strategy)	£576.9m £10.0m <hr/> £586.9m  (Based on current CFR projection)	£594.0m £10.0m <hr/> £604.0m  (Based on current CFR projection)	£599.8m £10.0m <hr/> £609.8m  (Based on current CFR projection)	£603.5m £10.0m <hr/> £613.5m  (Based on current CFR projection)

