Prudential Indicators 2020/21 Outturn

	Prudential Indicator		**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
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 HRA PFI Total	£58.8m £33.9m £0.0m £92.4m	£164.6m £56.0m £0.0m £220.6m	£135.9m £40.9m £0.0m £176.8m	£85.1m £34.0m £0.0m £119.0m	£13.7m £30.6m £0.0m £44.3m	£16.6m £23.5m £0.0m £40.1m
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 HRA Other LT Total	£249.9m £146.4m £45.2m £441.5m	£331.1m £146.4m £44.0m £521.5m	£343.9m £146.4m £47.1m £537.4m	£355.1m £146.4m £46.0m £547.5m	£347.3m £146.4m £44.9m £538.6m	£341.8m £150.0m £43.7m £535.5m
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. *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.*	GF HRA Total	9.89% 13.85% 10.66%	12.86% 13.74% 13.03%	16.70% 13.39% 16.05%	17.68% 13.09% 16.76%	18.80% 12.79% 17.58%	19.22% 12.54% 17.84%
4	**External debt** To ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only	Gross Debt Invest Net Debt	£343.2m £8.3m £334.9m	£432.0m £10.0m £422.0m	£462.1m £10.0m £452.1m	£487.0m £10.0m £477.0m	£493.9m £10.0m £483.9m	£506.7m £10.0m

	Prudential Indicator		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	be for a capital purpose and so not exceed the CFR.							£496.7m
5 a	**Authorised limit for external debt** 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.	Borrowing / Other long term liabilities	£509.6m £30.0m £539.6m (£539.6m set at 2020/21 Strategy)	£526.1m £30.0m £556.1m (£556.1m set at 2021/22 Strategy)	£547.3m £30.0m £577.3m (Based on current CFR projection)	£557.5m £30.0m £587.5m (Based on current CFR projection)	£548.6m £30.0m £578.6m (Based on current CFR projection)	£545.5m £30.0m £575.5m (Based on current CFR projection)
5 b	**Operational boundary for external debt** 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.	Borrowing / Short Term Liquidity Requirement	£499.6m £10.0m £509.6m (£509.6m set at 2020/21 Strategy)	£516.1m £10.0m £526.1m (£526.1m set at 2021/22 Strategy)	£537.3m £10.0m £547.3m (Based on current CFR projection)	£547.5m £10.0m £557.5m (Based on current CFR projection)	£538.6m £10.0m £548.6m (Based on current CFR projection)	£535.5m £10.0m £545.5m (Based on current CFR projection)

			Maturity Profile	Debt (£)	Debt (%)	Approved Minimum Limit	Approved Maximum Limit	
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	Less than 1 yr	£12.0m	4%	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	£4.7m	2%	0%	30%	
			2 to 5 yrs	£33.1m	11%	0%	40%	
			5 to 10 yrs	£63.0m	21%	0%	40%	
			10 yrs and above	£185.2m	62%	30%	90%	
			Total	£298.0m	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	£15m