

Prudential Indicator Table 2020/21 to 2024/25

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATORS		2020-21 Actual	2021-2022 Original Estimate	2021-2022 Updated Estimate	2022-23 Estimate	2023-24 Forecast	2024-25 Forecast
PRUDENCE INDICATORS:							
CAPITAL EXPENDITURE							
1) Capital Expenditure							
The Council will set for the forthcoming year and the following two financial years estimates of its capital expenditure plans and financing:							
Gross Capital Expenditure	£m	168.173	208.655	229.688	150.364	56.042	18.154
Net Capital Expenditure	£m	52.235	111.283	104.748	114.552	53.049	18.154
Capital Financing							
Borrowing	£m	28.313	111.213	87.153	114.436	52.888	17.954
Grants & Contributions	£m	115.938	97.372	124.939	35.812	2.994	0.000
Capital Receipts, Reserves & Revenue	£m	23.922	0.071	17.595	0.115	0.161	0.201
Total Capital Financing	£m	168.173	208.655	229.688	150.363	56.042	18.154
2) Capital Financing Requirement							
The Council will make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years:							
Opening CFR	£m	616.220	660.697	624.298	683.738	773.165	795.946
Add Additional Borrowing	£m	28.313	111.213	70.681	114.436	52.888	17.954
Add Additional Credit Liabilities (PFI & Finance Leases)	£m	0.000	1.613	1.613	0.000	0.000	0.000
Less Revenue Provision for Debt Repayment (MRP)	£m	20.235	22.654	12.854	25.009	30.107	32.969
Capital Financing Requirement	£m	624.298	750.869	683.738	773.165	795.946	780.931
EXTERNAL DEBT							
The Council will set for the forthcoming year and the following two financial years an authorised limit and operational boundary for its total gross external debt, gross of investments, separately identifying borrowing from other long term liabilities:							
3) Authorised Limit for External Debt							
Borrowing	£m	715.305	681.075	586.987	659.512	676.682	671.335
Other Long Term Liabilities	£m	11.488	10.673	10.688	11.017	9.718	8.543
Total Authorised Limit	£m	726.793	691.748	597.675	670.529	686.400	679.878
4) Operational Boundary for External Debt							
Borrowing	£m	700.305	666.075	571.987	644.521	661.682	656.335
Other Long Term Liabilities	£m	9.488	8.673	8.688	9.017	7.718	6.543
Total Operational Boundary	£m	709.793	674.748	580.675	653.538	669.400	662.878
5) Gross Borrowing and the Capital Financing Requirement							
The Council will ensure that gross long term borrowing does not, except in the short term, exceed the total capital financing requirement in the preceding year plus the estimates of any additional capital financial requirement for the current and next two financial years. This is to ensure that over the medium term borrowing will only be for a capital purpose.							
Medium Term Forecast of Capital Financing Requirement	£m	697.327	816.798	795.946	780.931	809.935	831.490
Forecast of Long Term External Borrowing and Credit Arrangements	£m	497.052	587.114	486.386	575.719	598.408	583.308
Headroom	£m	200.275	229.684	309.560	205.212	211.527	248.182

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATORS		2020-21 Actual	2021-2022 Original Estimate	2021-2022 Updated Estimate	2022-23 Estimate	2023-24 Forecast	2024-25 Forecast
AFFORDIBILITY INDICATORS:							
6) Financing Costs & Net Revenue Stream							
The Council will estimate for the forthcoming year and the following two financial years the proportion of financing costs to net revenue stream (NRS), including dedicated schools grant (DSG). The Council will also set the following voluntary indicator limit: minimum revenue provision and interest not to exceed 10% of net revenue stream (NRS) including dedicated schools grant (DSG).							
Proportion of Financing Costs to NRS (Incl DSG)	%	4.88%	5.38%	3.94%	5.05%	5.73%	5.97%
Proportion of MRP & Interest Costs to NRS (Incl DSG) -Limit 10% (Voluntary Indicator)	%	4.98%	5.33%	3.98%	5.16%	5.86%	6.07%
PROPORTIONALITY INDICATORS:							
7) Net Income from Commercial and Service Investments to Net Revenue Stream							
The Council will set for the forthcoming financial year and the following two years a limit of 3% for Net Income from Commercial and Service investments as a proportion of Net Revenue Stream (NRS) including Dedicated School Grant (DSG). This is to manage financial exposure to the Council from potential loss of income from these investments.							
Net Income from Non-Treasury Investments (Including County Farms)	£m	2.447	2.189	2.367	2.238	2.123	2.015
Net Revenue Stream	£m	778.134	775.368	772.877	843.099	844.200	858.347
Proportion of Net Commercial and Service Investment Income to Net Revenue Stream -Limit 3%	%	0.31%	0.28%	0.31%	0.27%	0.25%	0.23%
8) Limit for Maximum Usable Reserves at Risk from Potential Loss of Investments							
The Council will set for the forthcoming financial year and the following two years a limit of no more than 10% of General Reserves to be at risk from potential loss of total investments. (Voluntary Indicator).							
General Reserves	£m	16.200	16.400	16.400	16.400	16.400	16.400
Sums at Risk (Based on Expected Credit Loss Model)	£m	0.077	0.326	0.040	0.068	0.060	0.056
Proportion of Usable Reserves at Risk from Potential Loss of Investments -Limit 10%	%	0.48%	1.99%	0.25%	0.41%	0.36%	0.34%
TREASURY INDICATORS:							
9) Liability Benchmark							
The Council will estimate and measure the liability benchmark (or Gross Loans Requirement) for the period that covers the debt maturity profile. This will include a chart showing the Net Loans Requirement, compared to Existing Debt outstanding and the Loans CFR. The liability benchmark will be analysed as part of the annual treasury management strategy and differences to actual debt outstanding will be explained and managed.							
10) Maturity Structure of borrowing							
The Council will set for the forthcoming financial year and the following two years both upper and lower limits with respect to the maturity structure of its borrowing: (Fixed & Variable Rate Borrowing).							
Upper limit							
Under 12 months	%	2.30%	25.00%	25.00%	25.00%	25.00%	25.00%
12 months and within 24 months	%	1.80%	25.00%	25.00%	25.00%	25.00%	25.00%
24 months and within 5 years	%	5.20%	50.00%	50.00%	50.00%	50.00%	50.00%
5 years and within 10 years	%	12.20%	75.00%	75.00%	75.00%	75.00%	75.00%
10 years and above	%	78.50%	100.00%	100.00%	100.00%	100.00%	100.00%
Lower limit							
All maturity periods	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11) Long Term Treasury Management Investments							
The Council will set an upper limit for each forward year period for the maturing of long term treasury investments, longer than 365 days and including longer term instruments with no fixed maturity date.							
Upper limit for total principal sums invested for over 365 days and no fixed maturity (per maturity date)	£m	6.419	40.000	40.000	40.000	40.000	40.000
12) Interest Rate Exposures (Variable)							
The Council will set for the forthcoming year and the following two financial years, an upper limits to its exposure to effects of changes in interest rates on variable rate borrowing and investments. (Voluntary Indicator).							
Upper limit for variable interest rate exposures							
Borrowing	%	0.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Investments	%	44.00%	100.00%	100.00%	100.00%	100.00%	100.00%
13) Borrowing in Advance of Need							
The Council will set for the forthcoming financial year and the following two years upper limits to any borrowing undertaken in advance of need.							
Borrowing in advance of need limited to percentage of the expected increase in CFR over 3 year budget period (Voluntary Indicator)	%	0.00%	25.00%	25.00%	25.00%	25.00%	25.00%
	£m	0.000	16.482	28.052	1.941	3.497	12.640