

APPENDIX C – PRUDENTIAL INDICATORS 2023/24

The Prudential Code requires the Council to set Prudential Indicators in the Treasury Strategy and report performance against those indicators in the Annual Treasury Report.

As can be seen from the table below, except for Indicator 1 and 6, all the indicators are below the targeted level set out in the Treasury Strategy for 2023/24. Prudential Indicator 1 relates to the ratio of financing costs compared to the net budget. Generally borrowing costs were in line with expected in the Treasury Strategy, but the additional MRP resulting from capitalised redundancies and transformation costs in 2023/24 increased the proportion realised. Prudential Indicator 6 relates to the expected level of borrowing for the financial year. As outlined earlier in the report it was agreed that new short term borrowing of £30m would be secured prior to the end of the financial year which has increased the level of borrowing more than the anticipated level. It should be noted though that this is below the authorised limit for external debt and within the operational boundary for external debt which are the key indicators to adhere to.

Prudential Indicators	2023/24	2023/24
	Indicator	Actual
1. Ratio of financing costs indicator		
Non-HRA	7.6%	12.4%
Non HRA (net of investment income)	6.5%	11.1%
HRA	38.1%	
2. Net Borrowing & Capital Financing Requirement (CFR)		
Non – HRA	£462m	£318m
HRA	£105m	£97m
Commercial activities/non-financial investments	£21m	£0m
TOTAL CFR	£589m	£415m
Movement in CFR	£42m	£19m
Gross Borrowing (including HRA)	£445m	£311m
Investments	£140m	£36m
Net Borrowing	£305m	£275m
3. Capital Expenditure		
Non-HRA	£126.0m	£115.4m
HRA (applies only to housing authorities)	£20.5m	£15.0m
Commercial activities/non-financial investments	£10.6m	£0m
TOTAL	£157.1m	£130.4m
Financing of capital expenditure		
Capital receipts	£14.1m	£13.1m
Capital grants	£58.9m	£53.6m
Other contributions	£9.6m	£5.2m
Major Repairs Allowance	£4.8m	£6.5m
Alternative Funding Options	£1.8m	£0.9m

Revenue	£1.1m	£3.3m
Net financing need for the year	£66.8m	£47.8m
Commercial activities/non-financial investments		
Capital expenditure	£10.6m	£0m
Financing costs	£0.6m	£0m
Net financing need for the year	£10.0m	£0m
Percentage of total net financing need	94%	0%
4. Authorised Limit for External Debt		
Borrowing	£546m	£311m
Other long term liabilities (PFI)	£92m	£85m
Commercial activities/non-financial investments	£11m	£0m
TOTAL	£649m	£396m
5. External Debt – Operational Boundary		
Borrowing	£475m	£311m
Other long term liabilities (PFI)	£92m	£85m
Commercial activities/non-financial investments	£11m	£0m
TOTAL	£578m	£396m
6. External debt		
Borrowing	£292m	£311m
Other long term liabilities (PFI)	£92m	£85m
TOTAL	£384m	£396m
7. Borrowing Limits	Lower Limit	Upper Limit
Fixed Interest Rate Exposure	£267m	£534m
Variable Interest Rate Exposure	£0m	£267m
		£311m
		£0m
8. Investment Limits	Lower Limit	Upper Limit
Fixed Interest Rate Exposure	£250m	£250m
Variable Interest Exposure	£0m	£0m
		£36m
		0
9. Maturity Structure of Fixed/Variable Rate Borrowing During 2023/24	Lower Limit	Upper Limit
Under 12 mths	0%	15%
12 mths & within 24 mths	0%	15%
24 mths & within 5 years	0%	45%
5 years & within 10 years	0%	75%
10 years & within 20 years	0%	100%
20 years & within 30 years	0%	100%
30 years & within 40 years	0%	100%
40 years & within 50 years	0%	100%
50 years and above	0%	100%
		0%
		10%
		0%
		24%
		26%
		20%
		11%
		2%
		7%
10. Investment Limits		
Upper Limits for Total Principal Sums Invested for over 365 days:		
Externally managed	£50m	£0m
Internally Managed	£70m	£0m

