

PRUDENTIAL INDICATORS FEBRUARY 2023

PRUDENTIAL INDICATORS	Source	2021/22	2022/23	2023/24	2024/25	2025/26	Notes
		£'000	£'000	£'000	£'000	£'000	
		Actual	Estimate	Estimate	Estimate	Estimate	
		£'000	£'000	£'000	£'000	£'000	
Total Annual Capital Expenditure	Capital Strategy	58,822	55,053	87,858	58,962	59,716	A forecast of when approved capital expenditure will be incurred
Capital financing requirement as at 31 March	Capital Strategy	556,682	574,297	642,493	692,263	743,006	Total value of capital spend financed from borrowing.
Annual change in capital financing requirement (CFR)	Capital Strategy	33,339	17,615	68,196	49,770	50,743	Net impact that capital spend less MRP has on the CFR. When MRP exceeds the spend this will be negative.
Net borrowing requirement	Capital Strategy						
Brought forward 1 April		503,233	521,648	539,263	607,459	657,229	Annual actual borrowing estimates.
Carried forward 31 March		521,648	539,263	607,459	657,229	707,972	
In year borrowing requirement		18,415	17,615	68,196	49,770	50,743	
Gross Borrowing as at 31st March	Capital Strategy	521,648	539,263	607,459	657,229	707,972	Estimated total funds borrowed.
Authorised limit for external debt	Capital Strategy						
Borrowing		555,682	573,297	641,493	691,263	742,006	The affordable borrowing limit determined in compliance with the Local Government Act 2003. This sum can not exceed the CFR.
Other long-term liabilities		1,000	1,000	1,000	1,000	1,000	
Total		556,682	574,297	642,493	692,263	743,006	
Operational boundary for external debt	Capital Strategy						
Borrowing		545,682	563,297	631,493	681,263	732,006	Based on the Authority's estimate of most likely requirement for external debt.
Other long-term liabilities		1,000	1,000	1,000	1,000	1,000	
Total		546,682	564,297	632,493	682,263	733,006	
Proportion of net income from commercial Property, Housing and Service investments compared to the budgetted net revenue stream	Capital Strategy	146%	156%	168%	215%	238%	Percentage that income from borrowing is of the net annual budget
Proportion of financing costs to net revenue stream	Capital Strategy	77%	108%	174%	223%	208%	Percentage that Interest & Minimum Revenue Provision (MRP) is of the net annual budget.
Liability Benchmark	Treasury Strategy	524,973	545,412	617,624	666,144	710,681	An alternative strategy, showing the lowest risk level of borrowing
Credit Risk Indicator	Treasury Strategy	A	A	A	A	A	A target for exposure to credit risk of investment portfolio
Liquidity Risk Indicator	Treasury Strategy	0	0	0	0	0	A target for exposure to liquidity risk through borrowing without prior notice
Interest Risk Indicator	Treasury Strategy						
Upper Limit for variable interest rate exposure		90%	90%	90%	90%	90%	This section of indicators reflect the limits attributed to long term borrowing with a variable Interest rate
Upper Limit on fixed interest rate exposure		100%	100%	100%	100%	100%	This section of indicators reflect the limits attributed to long term borrowing with a fixed Interest rate.
Refinancing Risk Indicator	Treasury Strategy						
Under 12 months		50%	50%	50%	50%	50%	This indicator is set to control the authority's exposure to refinancing risk. These only show the upper limits, not the lower limits, please refer to the Treasury Strategy for the lower limits
12 months and within 24 months		30%	30%	30%	30%	30%	
24 months and within 5 years		30%	30%	30%	30%	30%	
5 years and within 10 years		100%	100%	100%	100%	100%	
10 years to 25 years		100%	100%	100%	100%	100%	
25 years and above		100%	100%	100%	100%	100%	
Price Risk Indicator	Treasury Strategy	15,000	15,000	15,000	15,000	15,000	This indicator shows the maximum long term investment limit
Security of Commercial and Housing Investments	Investment Strategy	5,190	n/a	n/a	n/a	n/a	The indicator shows the security of the Council's assets by comparing the accounting valuation to the debt outstanding.
Commercial, Housing and Service investment income as a proportion of Usable Reserves	Investment Strategy	42%	46%	n/a	n/a	n/a	This indicator monitors the availability of reserves to cover the income from Commercial Property
Yield of Commercial Property Investment Income	Investment Strategy	6%	6%	n/a	n/a	n/a	This indicator shows the average yield of commercial property
Commercial Investments Void and Maintenance Reserve Levels	Investment Strategy						
Void Reserve		2,931	1,875	2,266	2,707	3,153	This indicator shows the forecast reserve levels to cover loss of commercial income from voids, or maintenance works required
Maintenance Reserve		1,406	1,739	2,073	2,431	2,792	
Commercial Investment Vacancy Levels	Investment Strategy	5%	n/a	n/a	n/a	n/a	Monitors vacancy levels (voids) of the property portfolio