

Prudential Indicators (PI) required by The Prudential Code

PI for Prudence - Ensuring that external debt is sustainable and compliance with good professional practice are essential features of prudence.

PI 1 - Estimates and actual capital expenditure.

Full details of capital expenditure plans and funding can be found in the quarter two capital budget monitoring 2023-2024 report.

	Approved by Council 1 March 2023			As at 30 September 2023		
	2023-2024	2024-2025	2025-2026	2023-2024	2024-2025	2025-2026
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
General Fund *	168,372	69,053	9,810	106,145	164,329	68,557
HRA	131,111	142,117	106,290	112,447	126,929	111,780
	299,483	211,170	116,100	218,592	291,258	180,337
* Service investments included in General Fund figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc. for service and regeneration delivery purposes.	13,000	11,900	3,000	3,563	10,430	8,900

PI 2 - Estimates and actual capital financing requirement General Fund and HRA.

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose.

	Approved by Council 1 March 2023			As at 30 September 2023		
	2023-2024	2024-2025	2025-2026	2023-2024	2024-2025	2025-2026
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
General Fund *	719,461	719,195	685,234	679,266	711,659	710,222
HRA	391,937	493,346	561,714	373,963	462,606	539,040
	1,111,398	1,212,541	1,246,948	1,053,229	1,174,265	1,249,262
* Service investments included in General Fund figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc. for service and regeneration delivery purposes.	44,792	42,692	32,776	35,390	42,064	40,011
Movement in capital financing requirement represented by:						
New borrowing for capital expenditure	156,049	138,600	71,882	117,980	156,217	107,838
Less minimum revenue provision/voluntary minimum revenue provision	(33,299)	(37,457)	(37,475)	(34,346)	(35,181)	(32,841)
Movement in capital financing requirement	122,750	101,143	34,407	83,634	121,036	74,997

PI 3 - Authorised limit for external debt.

These limits apply to the total external debt gross of investments and separately identify borrowing from other long term liabilities such as finance leases including Private Finance Initiatives (PFI). This is a self determined level reviewed and set each budget setting cycle.

	As at 30 September 2023		
	2023-2024 Limit £000	2024-2025 Limit £000	2025-2026 Limit £000
Borrowing	1,137,035	1,284,348	1,336,593
Other Long Term Liabilities	75,960	76,416	72,939
Total Authorised Limit	1,212,995	1,360,764	1,409,532
Forecast External Debt as at 30 September 2023:			
Borrowing	829,850	966,430	1,047,903
Other Long Term Liabilities	73,960	74,416	70,939
	903,810	1,040,846	1,118,842
Variance (Under) / Over Authorised limit	(309,185)	(319,918)	(290,690)
Authorised limit for service investments included in the above figures			
Authorised Limit	57,928	72,778	71,762
Forecast External Debt as at 30 September 2023:	45,273	51,947	50,993
Variance (Under) / Over Authorised limit	(12,655)	(20,831)	(20,769)

Treasury Management Indicators (TMI) required by The Treasury Management Code

TMI 1 - Upper limits for long-term treasury management investments (previously called 'upper limits to the total of principal sums invested over 365 days').

This details the maximum amount which can be invested for up to 5 years (as per paragraph 1.5 of the Annual Investment Strategy). It has been determined that a maximum of 50% of total investments with a cap of £35.0 million could be prudently committed to long term investments should the Director of Finance decide it is appropriate to.

	Approved by Council 1 March 2023		
	2023-2024 Limit £000	2024-2025 Limit £000	2025-2026 Limit £000
Upper limit for long-term treasury management investments	35,000	35,000	35,000
Actual and Forecast Invested at 30 September 2023	-	-	-
Variance (Under) / Over Limit	(35,000)	(35,000)	(35,000)

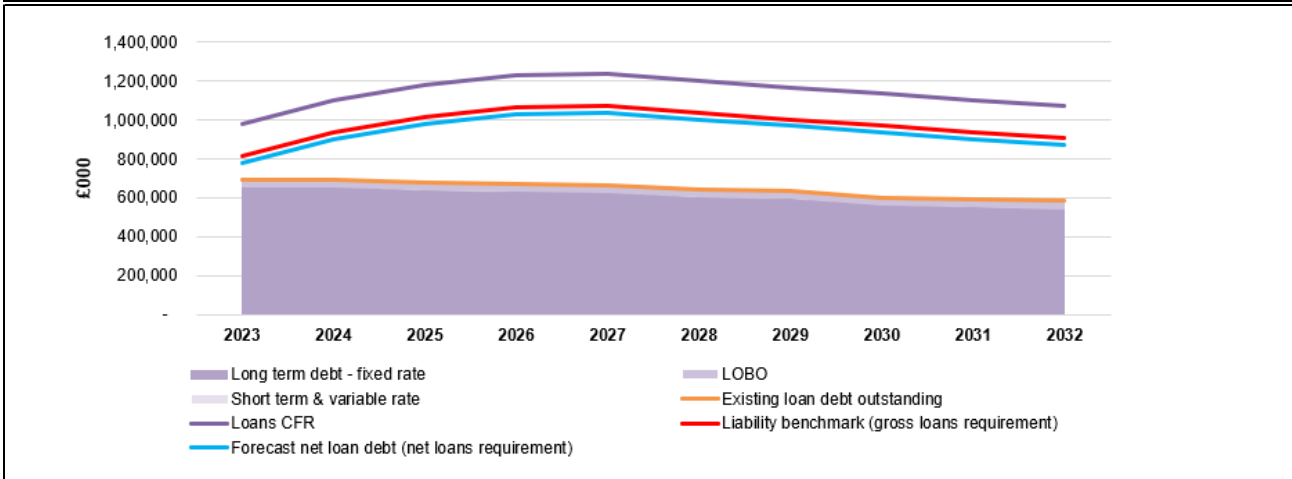
TMI 2 - Upper and lower limits to the maturity structure of its borrowing.

These limits relate to the % of fixed and variable rate debt maturing.

	Approved by Council 1 March 2023		As at 30 September 2023 2023-2024 Forecast Borrowing
	Upper Limit	Lower Limit	
Under 12 months	25%	0%	0.81%
12 months and within 24 months	25%	0%	6.46%
24 months and within 5 years	40%	0%	5.40%
5 years and within 10 years	50%	0%	7.05%
10 years and within 20 years	50%	0%	16.71%
20 years and within 30 years	50%	0%	33.31%
30 years and within 40 years	50%	0%	13.50%
40 years and within 50 years	50%	0%	16.76%
50 years and within 60 years	50%	0%	-

TMI 3 - Liability benchmark

A liability benchmark is a measure of how well the Council's existing loans portfolio matches its planned borrowing needs. It is a projection of the amount of loan debt outstanding that the Council needs each year into the future to fund its existing debt liabilities, planned prudential borrowing and other cash flows. This indicator highlights any mismatches between actual loan debt outstanding and the planned borrowing needs. Where actual loans are less than the benchmark, this is an indication of a future borrowing requirement. Whereas actual loans exceeding the benchmark indicate an overborrowed position which will result in excess cash balances requiring investment



Non-treasury management investment indicators

The statutory guidance on local government investments encourages local authorities to develop qualitative indicators that allow the reader to assess the Council's total risk exposure as a result of commercial investment decisions.

NTM 1 - Estimates and actual non-treasury management investment expenditure.

This identifies the level of any non-treasury management investments (e.g. service and commercial investments).

	Approved by Council 1 March 2023			As at 30 September 2023		
	2023-2024	2024-2025	2025-2026	2023-2024	2024-2025	2025-2026
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Service investments	13,000	11,900	3,000	3,563	10,430	8,900
Commercial investments	-	-	-	-	-	-
	13,000	11,900	3,000	3,563	10,430	8,900

NTM 2 - Estimates and actual net debt for service and commercial investment to net service expenditure ratio.

This indicator measures the level of net debt for service and commercial investments in comparison to the Council's forecast net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.

	Approved by Council 1 March 2023			As at 30 September 2023		
	2023-2024	2024-2025	2025-2026	2023-2024	2024-2025	2025-2026
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Net debt for service and commercial investments	44,792	42,692	32,776	35,390	42,064	40,011
Net service expenditure	306,414	316,409	315,580	306,414	316,409	315,580
Debt to net service expenditure ratio	14.6%	13.5%	10.4%	11.6%	13.3%	12.7%

NTM 3 - Estimates and actual service and commercial income to net service expenditure ratio.

This indicator measures the level of service and commercial investment generated income in comparison to the Council's net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority. The % indicates the Council's financial resilience and how reliant on the service/commercial investment income it is. A low % indicates the Council is not heavily reliant on service/commercial investment income.

	Approved by Council 1 March 2023			As at 30 September 2023		
	2023-2024	2024-2025	2025-2026	2023-2024	2024-2025	2025-2026
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Service and commercial investment income	1,573	1,666	1,666	1,642	1,742	1,648
Net service expenditure	306,414	316,409	315,580	306,414	316,409	315,580
Service and commercial income to net service expenditure ratio	0.5%	0.5%	0.5%	0.5%	0.6%	0.5%

NTM 4 - Estimates and actual loan to value ratio

This indicator measures the net debt for service and commercial investments compared to the forecast total asset value. A decrease in the ratio over the medium term indicates a reducing level of borrowing due to repayments, whereas an increase indicates an increase in the level of borrowing due to new loans being issued.

	Approved by Council 1 March 2023			As at 30 September 2023		
	2023-2024	2024-2025	2025-2026	2023-2024	2024-2025	2025-2026
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Loan to value ratio	72.9%	70.7%	63.7%	60.5%	64.2%	62.1%