

## **ANNEX 1 - THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2019-20 – 2023-24**

The council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

### **1. Capital expenditure**

<b>Capital expenditure £m</b>	<b>2019-20 Actual</b>	<b>2020-21 Budget</b>	<b>2021-22 Budget</b>	<b>2022-23 Budget</b>	<b>2023-24 Budget</b>
General Fund	6.887	21.389	5.461	5.308	3.894
HRA	10.586	22.418	16.451	2.324	2.305
<b>Total</b>	<b>17.473</b>	<b>43.807</b>	<b>21.912</b>	<b>7.632</b>	<b>6.199</b>

### **2. Affordability prudential indicators**

The previous section covers the overall capital and control of borrowing prudential indicators but, within this framework, prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the council's overall finances. The council is asked to approve the following indicators:

#### **a. Ratio of financing costs to net revenue stream**

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

<b>%</b>	<b>2019-20 Actual</b>	<b>2020-21 Estimate</b>	<b>2021-22 Estimate</b>	<b>2022-23 Estimate</b>	<b>2023-24 Estimate</b>
<b>General Fund</b>	7.4	9.2	11.7	12.2	12.2
<b>HRA</b>	4.3	5.0	6.2	6.6	6.3

The estimates of financing costs include current commitments and the proposals in this budget report.

#### **b. HRA ratios**

<b>£</b>	<b>2019-20 Actual</b>	<b>2020-21 Estimate</b>	<b>2021-22 Estimate</b>	<b>2022-23 Estimate</b>	<b>2023-24 Estimate</b>
<b>HRA debt £m</b>	15.900	25.608	28.437	31.190	30.861
<b>HRA rents £m</b>	13.077	13.083	13.534	13.801	14.073
<b>Ratio of debt to rents %</b>	121.6%	195.7%	210.1%	226.0%	219.3%

<b>£</b>	<b>2019-20 Actual</b>	<b>2020-21 Estimate</b>	<b>2021-22 Estimate</b>	<b>2022-23 Estimate</b>	<b>2023-24 Estimate</b>
<b>HRA debt £m</b>	15.900	25.608	28.437	31.190	30.861

<b>Number of HRA dwellings</b>	3,019	3,053	3,033	3,013	2,993
<b>Debt per dwelling £</b>	5,267	8,388	9,376	10,352	10,311

### 3. Maturity structure of borrowing

These gross limits are set to reduce the council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The council is asked to approve the following treasury indicators and limits:

<b>Maturity structure of fixed interest rate borrowing 2021-22</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	50%
12 months to under 2 years	0%	50%
2 years to under 5 years	0%	50%
5 years to under 10 years	0%	50%
10 years to under 20 years	0%	50%
20 years to under 30 years	0%	50%
30 years to under 40 years	0%	50%
40 years to under 50 years	0%	50%
50 years and above	0%	50%

<b>Maturity structure of variable interest rate borrowing 2021-22</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	50%
12 months to under 2 years	0%	50%
2 years to under 5 years	0%	50%
5 years to under 10 years	0%	50%
10 years to under 20 years	0%	50%
20 years to under 30 years	0%	50%
30 years to under 40 years	0%	50%
40 years to under 50 years	0%	50%
50 years and above	0%	50%

### 4. Control of interest rate exposure

Please see paragraphs 3.3, 3.4 and 4.4 of the main report.