

ANNEX 1 - THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2022/23 – 2026/27

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

Capital expenditure £m	2022/23 Provisional Actual	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
General Fund	12.054	26.640	52.625	20.250	6.493
HRA	4.123	34.095	25.008	18.430	11.870
Total	16.177	60.735	77.633	38.680	18.363

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.

%	2022/23 Provisional Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
General Fund	4.9	5.6	15.6	19.4	22.6
HRA	2.2	3.5	14.4	17.1	17.8

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

b. HRA ratios

	2022/23 Provisional Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
HRA debt £m	12.587	49.631	54.995	59.305	63.572
HRA rents £m	13.019	15.143	17.566	17.863	18.591
Ratio of debt to rents %	96.7	327.8	313.1	332.0	342.0

£	2022/23	2023/24	2024/25	2025/26	2026/27
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	Provisional Actual	Estimate	Estimate	Estimate	Estimate
HRA debt £m	12.587	49.631	54.995	59.305	63.572
Number of HRA dwellings	3,053	3,100	3,212	3,324	3,437
Debt per dwelling £	4,123	16,010	17,122	17,841	18,496

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:

Maturity structure of fixed interest rate borrowing 2024/25		
	Lower	Upper
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%

Maturity structure of variable interest rate borrowing 2024/25		
	Lower	Upper
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.

5. Ratio of investment property net income to net revenue stream

This indicator identifies the trend in the relative significance of investment property income.

%	2022/23	2023/24	2024/25	2025/26	2026/27
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	Provisional Actual	Estimate	Estimate	Estimate	Estimate
General Fund	5.7	5.7	5.5	5.5	5.5