

2021/22 PRUDENTIAL AND TREASURY INDICATORS

During 2021/22, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual prudential and treasury indicators	2020/21 Actual £m	2021/22 Estimated £m	2021/22 Actual £m
Capital expenditure			
• General Fund	2.230	5.821	5.137
• HRA	3.167	10.106	8.314
• Total	5.397	15.927	13.451
Capital Financing Requirement:			
• General Fund	11.464	14.392	13.919
• HRA	96.404	93.182	93.182
• Total	107.868	107.574	107.101
External debt	92.656	92.656	92.656
Investments			
• Longer than 1 year	3.000	n/a	5.000
• Under 1 year	64.460	n/a	83.286
• Total	67.460	n/a	88.286

The authorised limit - the authorised limit is the “affordable borrowing limit” required by S3 of the Local Government Act 2003. The Council does not have the power to borrow above this level.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

	2020/21	2021/22
Authorised limit	£141.765m	£148.000m
Operational boundary	£115.000m	£115.000m

Actual financing costs as a proportion of 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.

Ratio of financing costs to net revenue stream	31 March 2021 actual	2021/22 Revised limits	31 March 2022 Provisional Actual*
General Fund	(0.87%)	(0.72%)	(1.10%)
HRA	13.67%	12.66%	11.31%

*these are provisional figures as the 2021/22 outturn is in the process of being finalised

HRA Ratio – net debt per dwelling

	2020/21 Actual	2021/22 Estimated	2021/22 Actual
HRA Debt £m	92.656	89.434	89.434
Number of HRA Dwellings	5,914	5,876	5,884
Debt per Dwelling £	15,667	15,220	15,199

Net borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term, the Council's external borrowing net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2020/21 plus the expected changes to the CFR over 2021/22 and 2022/23 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2021/22.

	31 March 2021 Principal	Rate/ Return	31 March 2022 Principal	Rate/ Return
Total debt	£92.656m	2.67%	£89.435m	2.64%
CFR	£107.868m		£107.101m	
Over/ (under) borrowing	(£15.211m)		(£17.666m)	
Total investments	£68.261m	0.40%	£89.558m	1.26%
Net debt	£24.395m		(£0.123m)	

The maturity structure of the debt portfolio was as follows:

	31 March 2021 Actual	31 March 2022 Actual
Under 12 months	£3.222m	£3.221m
12 months and within 24 months	£3.222m	£3.222m
24 months and within 5 years	£9.665m	£9.665m
5 years and within 10 years	£16.108m	£16.109m
10 years and above	£60.439m	£57.217m

The exposure to fixed and variable rates was as follows:

	31 March 2021 Actual	31 March 2022 Actual
Fixed rate (principal or interest)	18.500m	65.000m
Variable rate (principal or interest)	49.761m	24.558m