

2022/23 PRUDENTIAL AND TREASURY INDICATORS

During 2022/23, 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	2021/22 Actual £m	2022/23 Estimated £m	2022/23 Actual £m
Capital expenditure			
• General Fund	5.198	6.350	5.209
• HRA	8.778	9.021	6.674
• Total	13.976	15.371	11.883
Capital Financing Requirement:			
• General Fund	13.919	14.264	14.185
• HRA	93.182	89.960	89.960
• Total	107.101	104.224	104.145
External debt	89.435	86.213	86.213
Investments			
• Longer than 1 year	5.000	n/a	3.000
• Under 1 year	83.286	n/a	66.629
• Total	88.286	n/a	69.629

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.

	2021/22	2022/23
Authorised limit	£148.000m	£158.000m
Operational boundary	£115.000m	£125.000m

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 2022 actual	2022/23 Revised limits	31 March 2023 Provisional Actual*
General Fund	(1.30%)	(3.43%)	(4.61%)
HRA	11.60%	7.83%	5.26%

*these are provisional figures as the 2022/23 outturn is in the process of being finalised

HRA Ratio – net debt per dwelling

	2021/22 Actual	2022/23 Estimated	2022/23 Actual
HRA Debt £m	89.434	86.213	86.213
Number of HRA Dwellings	5,884	5,847	5,848
Debt per Dwelling £	15,199	14,745	14,742

Net borrowing and the CFR (Capital Financing Requirement) - 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 2021/22 plus the expected changes to the CFR over 2022/23 and 2023/24 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2022/23.

	31 March 2022 Principal	Rate/ Return	31 March 2023 Principal	Rate/ Return
Total debt	£89.435m	2.64%	£86.213m	2.46%
CFR	£107.101m		£104.145m	
Over/ (under) borrowing	(£17.666m)		(£17.932m)	
Total investments	£89.558m	1.26%	£69.629m	4.07%
Net debt	(£0.123m)		£16.584m	

The maturity structure of the debt portfolio was as follows:

	31 March 2022 Actual	31 March 2023 Actual
Under 12 months	£3.221m	£3.222m
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	£16.109m	£16.109m
10 years and above	£57.217m	£53.995m

The exposure to fixed and variable rates was as follows:

	31 March 2022 Actual	31 March 2023 Actual
Fixed rate (principal or interest)	65.000m	48.000m
Variable rate (principal or interest)	24.558m	21.629m