

## Prudential Indicators

### (a) Capital Expenditure

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. This includes spending on assets owned by other bodies, loans and grants to other bodies enabling them to buy assets.

Capital Expenditure	31/03/2022 Estimate £'000	31/03/2022 Actual £'000
General Fund	20,929	24,121
HRA	53,656	37,221
<b>Total Capital Expenditure</b>	<b>74,585</b>	<b>61,342</b>

### (b) Capital Financing Requirement (CFR)

The Council's cumulative maximum external borrowing requirement for 2021/22 is shown in the table below:

Capital Financing Requirement	31/03/2022 Estimate £'000	31/03/2022 Actual £'000
General Fund	37,920	46,642
HRA	262,144	258,581
<b>Total CFR</b>	<b>300,064</b>	<b>305,223</b>

### (c) Gross Debt and Net Debt

The level of external borrowing is required to be compared to the Capital Financing Requirement which represents the underlying need to borrow. Requires that borrowing in the medium term can only be for capital purposes.

Debt	31/03/2022 Estimate £'000	31/03/2022 Actual £'000
General Fund	6,201	2,019
HRA	255,278	225,731
<i>Less Investments</i>	<i>(71,447)</i>	<i>(68,750)</i>
<b>Total Debt</b>	<b>190,032</b>	<b>159,000</b>

### (d) Authorised Limit and Operational Boundary for External Debt

**The operational boundary** - is the maximum borrowing position of the Council expected 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.

**The authorised limit** - A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

The table below demonstrates that during 2021/22 the Council has maintained gross borrowing within its authorised limit.

Authorised limits	Operational Boundary £'000	Authorised Limit £'000	Actual External Debt 31/03/2022 £'000
Borrowing	329,299	337,299	227,750
Less Investments			(68,750)
<b>Total</b>	<b>329,299</b>	<b>337,299</b>	<b>159,000</b>

### (e) Ratio of financing costs to net revenue stream

General Fund: Net revenue stream is the RSG, NNDR grant and Council Tax raised for the year.

HRA: The net revenue stream is the total HRA income shown in the Council's accounts from received rents, service charges and other incomes. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self financing.

Ratio of financing costs to net revenue stream	31/03/2022 Estimate %	31/03/2022 Actual %
General Fund	5.27%	2.10%
HRA	15.71%	15.50%