

**THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2023/24 – 2025/26**

The Authority'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.

**(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	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
General Fund	24,121	26,185	34,017	18,357	7,681
HRA	37,221	49,086	62,420	33,806	34,912
<b>Total Capital Expenditure</b>	<b>61,342</b>	<b>75,271</b>	<b>96,437</b>	<b>52,163</b>	<b>42,593</b>

**(b) Affordability Prudential Indicator**

The previous sections cover 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 Authority's overall finances. The Authority is asked to approve the following indicators: -

**Ratio of financing costs to net revenue stream**

Ratio of financing costs to net revenue stream %	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
General Fund	5%	6%	6%	7%	6%
HRA	16%	17%	17%	16%	15%

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.

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