

Appendix C		2021/22 Treasury Management Strategy						
Treasury Management Prudential Indicators								
		2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	
<b>Capital Expenditure (Based on Final Capital Strategy February 2021):</b>		Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	
		£000	£000	£000	£000	£000	£000	
General Fund		35,271	21,467	16,702	20,445	26,137	14,795	
HRA		34,057	31,898	0	51,649	55,981	36,339	
<b>Total</b>		<b>69,328</b>	<b>53,365</b>	<b>16,702</b>	<b>72,094</b>	<b>82,119</b>	<b>51,134</b>	
<b>Ratio of financing costs to net revenue stream:</b>		Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	
		%	%	%	%	%	%	
General Fund Capital Expenditure		8.17%	4.14%	4.78%	5.28%	6.12%	6.73%	
HRA Capital Expenditure		15.93%	16.01%	16.98%	17.25%	17.06%	16.14%	
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.								
<b>Authorised Limit for external debt</b>		Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	
		£000	£000	£000	£000	£000	£000	
Borrowing - General Fund		49,918	34,726	46,298	51,074	52,426	51,668	
Borrowing - Queensway residential		15,000	15,000	15,000	15,000	15,000	15,000	
Borrowing - HRA		245,474	245,474	272,076	287,716	299,653	304,524	
<b>Total</b>		<b>310,392</b>	<b>295,200</b>	<b>333,374</b>	<b>353,790</b>	<b>367,079</b>	<b>371,192</b>	
The authorised limit in that it is the level up to which the Council may borrow without getting further approval from Full Council. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The authorised limit allows for £8m headroom above the Operational Boundary (£2m General Fund and £6m HRA), which is in addition to our capital plans.								
<b>Operational Boundary for external debt</b>		Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	
		£000	£000	£000	£000	£000	£000	
Borrowing - General Fund		47,918	32,726	44,298	49,074	50,426	49,668	
Borrowing - Queensway residential		15,000	15,000	15,000	15,000	15,000	15,000	
Borrowing - HRA		239,474	239,474	266,076	281,716	293,653	298,524	
<b>Total</b>		<b>302,392</b>	<b>287,200</b>	<b>325,374</b>	<b>345,790</b>	<b>359,079</b>	<b>363,192</b>	
The operational boundary differs from the authorised limit in that it is the level up to which the Council expects to have to borrow. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The operational boundary allows for £7m headroom in addition to our capital plans (£5m General Fund and £2m HRA) plus the additional borrowing facility that may be drawn down by the Housing WOC.								
<b>Gross &amp; Net Debt</b>		31/03/2021	2020/21	2021/22	2022/23	2023/24	2024/25	
		Revised Mid year review 20-21	Revised Draft Cap Jan 20 Exec	Revised Draft Cap Jan 20 Exec	Revised Draft Cap Jan 20 Exec	Revised Draft Cap Jan 20 Exec	Revised Draft Cap Jan 20 Exec	
		£000	£000	£000	£000	£000	£000	
Gross External Debt - General Fund		17,353	2,908	7,724	12,960	15,020	15,020	
Gross External Debt - HRA		230,487	230,487	257,089	272,729	284,666	288,080	
<b>Gross External Debt</b>		<b>247,840</b>	<b>233,394</b>	<b>264,813</b>	<b>285,689</b>	<b>299,685</b>	<b>303,100</b>	
Less Investments		(60,629)	(72,184)	(59,780)	(59,770)	(49,194)	(39,283)	
<b>Net Borrowing</b>		<b>187,211</b>	<b>161,211</b>	<b>205,033</b>	<b>225,919</b>	<b>250,492</b>	<b>263,816</b>	
The Gross External Debt is the actual debt taken out by the Council plus any relevant long term liabilities. The Gross External Debt should								
The Net Borrowing is defined as gross external debt less investments. The net borrowing requirement may not, except in the short term, exceed the total capital financing requirement in the preceding year, plus the estimates of any additional financing.								
<b>Capital Financing Requirement</b>		31/03/2021	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025	
		Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	
		£000	£000	£000	£000	£000	£000	
Capital Financing Requirement GF		42,918	27,726	32,313	37,089	38,441	37,683	
Capital Financing Requirement HRA		237,474	237,474	264,076	279,716	291,653	296,524	
<b>Total Capital Financing Requirement</b>		<b>280,392</b>	<b>265,200</b>	<b>296,389</b>	<b>316,806</b>	<b>330,094</b>	<b>334,207</b>	
The Capital Financing Requirement (CFR) reflects the amount of money the Council would need to borrow to fund its capital programme. This is split between the Housing Revenue Account CFR (HRACFR) and the General Fund CFR (GFCFR).								