

(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	31/03/2023 Estimate Q2 2022 £'000	30/09/2022 Actual £'000
General Fund	32,729	7,134
HRA	54,655	17,145
Total Capital Expenditure	87,384	24,279

(b) Capital Financing Requirement (CFR)

The Council's cumulative maximum external borrowing requirement for 2022/23 is shown in the table below:

Capital Financing Requirement	31/03/2023 Estimate Q2 2022 £'000	30/09/2022 Actual £'000
General Fund	56,530	49,821
HRA	268,738	261,405
Total CFR	325,268	311,226

(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	31/03/2023 Estimate Feb Council 22 £'000	30/09/2022 Actual £'000
General Fund	14,385	21,118
HRA	270,918	225,731
<i>Less Investments</i>	<i>(47,735)</i>	<i>(63,425)</i>
Total Debt	237,569	183,424

(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 2022/23 the Council has maintained gross borrowing within its authorised limit.

Authorised limits	Operational Boundary £'000	Authorised Limit £'000	Actual External Debt 30/09/2022 £'000
Borrowing	354,503	362,503	246,849
Less Investments			(63,425)
Total	354,503	362,503	183,424

(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	31/03/2023 Estimate Feb Council 22 £'000	30/09/2022 Actual £'000
General Fund	5.52%	3.42%
HRA	17.18%	14.11%