

Appendix B

Estimated and Forecast Treasury Position and Prudential Indicators

		2022/23 Original Indicator £m	2022/23 Latest Approved Indicator £m	2022/23 Current Forecast £m	Comments
1	Capital Financing Requirement (CFR) Estimate at 31 March CFR - Housing CFR – Non-Housing PFI/PPP (Other long-term liabilities) Total CFR	181.083 253.669 <u>47.196</u> 481.948	179.866 262.997 <u>47.197</u> 490.060	172.885 260.881 <u>47.197</u> 480.963	The CFR provides a measure of the Council's level of long-term debt used to finance capital expenditure. It is increased each year by any new borrowing requirement and decreased by the statutory revenue charge for the repayment of debt (Minimum Revenue Provision) plus any additional voluntary repayment.
2	Estimated Treasury Position at 31 March Gross Borrowing PFI/PPP (Other long-term liabilities) Total Debt	336.973 <u>47.196</u> 384.169	340.397 <u>47.197</u> 387.594	331.300 <u>47.197</u> 378.497	Over the medium-term, borrowing will only be for a capital purpose. Gross external borrowing should not, except for the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the next two financial years. <i>The level of borrowing in the current year reflects the decision not to undertake borrowing up to the CFR. This is because the Council is utilising cash balances to temporarily reduce borrowing costs.</i>
3	Authorised Limit (against maximum position) for External Debt Maximum Allowable Borrowing PFI / PPP (Other long-term liabilities) Total	453.669 <u>47.196</u> 500.865	462.997 <u>47.197</u> 510.194	453.899 <u>47.197</u> 501.196	The authorised limit represents the limit beyond which borrowing is prohibited.
4	Operational Boundary for External Debt Borrowing PFI / PPP (Other long-term liabilities) Estimated Debt	336.973 <u>47.196</u> 384.169	340.397 <u>47.197</u> 387.594	331.300 <u>47.197</u> 378.497	The operational boundary is an indicator based on the probable level of external debt. It is not an overall limit, but an expectation of activity.

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	Operational Boundary	430.000	430.000	420.000	
5	Ratio of financing costs to net revenue stream General Fund HRA	11.90% 15.82%	10.52% 15.37%	10.51% 15.50%	The ratio of financing costs indicator shows the proportion of the Council's budget required to fund the interest and minimum revenue provision payments associated with the Council's debt.
6	Incremental impact of capital investment decisions on the Band D council tax	£35.10	£35.10	£26.65	This indicator identifies the notional impact on Council Tax payers of the non-housing prudential borrowing programme. This indicator is not reviewed as part of the mid-year review and therefore remains the same as the initial strategy. The reduction in this indicator relates to a number of capital schemes being rephased into future years.
7	Incremental impact of capital investment decisions on the housing rent levels	£49.63	£49.63	£8.47	This indicator identifies the notional impact on housing rents of the housing prudential borrowing programme. This indicator is not reviewed as part of the mid-year review and therefore remains the same as the initial strategy.
8	Upper limits on fixed interest rates (against maximum position)	100%	100%	100%	This indicator is to set a maximum limit for fixed interest rates.
9	Upper limits on variable interest rates (against maximum position)	30%	30%	30%	This indicator is to set a maximum limit for variable interest rates, based on the Council's risk appetite.
10	Maturity structure of fixed rate borrowing (against maximum position)	%	%	% Actual	These gross limits are set to manage the Council's exposure to maturing fixed rate loans.
	Under 12 months	20.0	20.0	0.1	
	12 months to 2 years	20.0	20.0	0.1	
	2 years to 5 years	50.0	50.0	1.7	
	5 years to 10 years	50.0	50.0	2.1	
	10 years to 20 years	60.0	60.0	11.5	
	20 years to 30 years	60.0	60.0	14.6	
	30 years to 40 years	80.0	80.0	42.1	
	40 years to 50 years	80.0	80.0	27.8	
	50 years and above	80.0	80.0	0.0	
11	Maximum principal funds invested longer than 365 days	£15m	£15m	£0m	This limit is set to maintain sufficient liquidity for the Council's investments.

