Quarterly Reporting on Prudential Indicators

1. Capital Financing Indicators

Indicators 1-2 demonstrate the affordability and sustainability of the Council's capital programme.

	Indicator	Description	2023/24 Treasury Management Strategy reference.	2023/24 Budget £M	2023/24 Q1 estimate for year £M	2023/24 Q2 estimate for year £M	2023/24 Q3 estimate for year £M	2023/24 Q4 estimate for year £M
1	Capital Expenditure	Monitors capital expenditure projections against budget. Capital expenditure is a key driver of Treasury Management activity.	2.1	113.719	81.191	72.584	67.374	
2	The Capital Financing Requirement (CFR)	Monitors the Council's underlying need to borrow for capital purposes against projections set out in the budget.	2.2	393.901	370.2544	372.763	368.761	

Forecast Capital Expenditure for 2023/24 has reduced since the budget was set due to slippage. This has reduced the Council's borrowing requirement for the year.

2. Affordability Indicators

Indicators 3-5 demonstrate the affordability of the Council's borrowing on revenue.

	Indicator	Description	2023/24 Treasury Management Strategy reference.	2023/24 Budget £M	2023/24 Q1 estimate for year £M	2023/24 Q2 estimate for year £M	2023/24 Q3 estimate for year £M	2023/24 Q4 estimate for year £M
		Monitors the percentage of						
	Ratio of Financing costs to	revenue budget required to						
	net revenue stream-	cover capital financing costs						
3	General Fund*	against budget projections.	2.7	-0.11%	-9.64%	-12.36%	-12.99%	
		Monitors the percentage of						
	Ratio of Financing costs to	revenue budget required to						
	net revenue stream-	cover capital financing costs						
4	Housing Revenue Account	against budget projections.	2.7	17.29%	14.63%	13.84%	14.24%	
		Compares the total HRA debt						
	Ratio of HRA debt to	to the 23/24 HRA income						
5	revenues %	against budget projections.	2.8	546%	506%	495%	509%	

*revised for quarter 1 and 2.

The General Fund's ratio of financing costs to net revenue stream is negative as currently the council is earning more interest income on investments than is being spent on interest paid on loans and the minimum revenue provision.

3. Treasury Indicators

Treasury indicators ensure borrowing is within authorised limits and avoids large repayments being at the same time. Limits on investments act to secure the Council's cash.

Indicator	Description	2023/24 Treasury Management Strategy reference.	2023/24 Budget £M	2023/24 Q1 estimate for year £M	2023/24 Q2 estimate for year £M	2023/24 Q3 estimate for year £M	2023/24 Q4 estimate for year £M
Gross Debt does not exceed							
	Ensures borrowing is not undertaken for						
Requirement	revenue purposes or to generate profit.	3.1	Complies	Complies	Complies	Complies	
Operational Debt Boundary	Limit beyond which external debt is not normally expected to exceed.	3.2	355.402	355.402	355.402	355.402	
Authorised Limit for External Debt	Limit beyond which external debt is prohibited and needs to revised by full Council.	3.2	410.000	410.000	410.000	410.000	
Maturity Structure of borrowing (fixed and variable)	Limits to reduce exposure to large sums falling due for refinancing at the same	3.3	Complies	Complies	Complies	Complies	
Upper limit for principal sums invested for longer			complies				
Security of Investments- Compliance with	Limit on investment balances held with						
Counterparty Limits.		4.6		Complies	Complies	Complies	
	plus an allowance for short term investments needed to provide an adequate but not excessive level of		205 74	200.42	200.040	200 0477	
	Gross Debt does not exceed the Capital Financing Requirement Operational Debt Boundary Authorised Limit for External Debt Maturity Structure of borrowing (fixed and variable) Upper limit for principal sums invested for longer than 365 days Security of Investments-	Gross Debt does not exceed the Capital Financing RequirementEnsures borrowing is not undertaken for revenue purposes or to generate profit.Deparational Debt BoundaryLimit beyond which external debt is not normally expected to exceed.Authorised Limit for External DebtLimit beyond which external debt is prohibited and needs to revised by full Council.Maturity Structure of borrowing (fixed and variable)Limits to reduce exposure to large sums falling due for refinancing at the same time.Upper limit for principal sums invested for longer than 365 daysLimit of lower of 50% of portfolio or £40m.Security of Investments- Compliance with Counterparty Limits.Limit on investment balances held with CounterpartiesCalculated using the net 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