

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	2024/25 Treasury Management Strategy reference.	2024/25 Budget £M	2024/25 Q1 estimate for year £M	2024/25 Q2 estimate for year £M	2024/25 Q3 estimate for year £M	2024/25 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	70.814	67.036	68.320	67.228	
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	394.363	396.337	398.111	396.240	

Forecast Capital Expenditure for 2024/25 has changed from the budget due to carried forward Q4 slippage from 2023/24 and slippage of the 2024/25 programme. This has changed the Council's Capital Financing Requirement for the year, the expenditure is within the expected parameters .

2. Affordability Indicators

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

	Indicator	Description	2024/25 Treasury Management Strategy reference.	2024/25 Budget £M	2024/25 Q1 estimate for year £M	2024/25 Q2 estimate for year £M	2024/25 Q3 estimate for year £M
3	Ratio of Financing costs to net revenue stream- General Fund	Monitors the percentage of revenue budget required to cover capital financing costs against budget projections. Capital financing costs are interest received, interest paid and the Minimum Revenue Provision.	2.7	-0.93%	-7.85%	-8.48%	-11.47%
4	Ratio of Financing costs to net revenue stream- Housing Revenue Account	Monitors the percentage of revenue budget required to cover capital financing costs against budget projections.	2.7	20.68%	15.21%	14.88%	14.86%
5	Ratio of HRA debt to revenues %	Compares the total HRA debt to the 24/25 HRA income against budget projections.	2.8	474%	477%	475%	474%

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.

HRA ratio is lower than budgeted due to higher levels of income reported which is a positive position for the HRA.

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	2024/25 Treasury Management Strategy reference.	2024/25 Budget £M	2024/25 Q1 estimate for year £M	2024/25 Q2 estimate for year £M	2024/25 Q3 estimate for year £M	2024/25 Q4 estimate for year £M
6	Gross Debt does not exceed the Capital Financing Requirement	Ensures borrowing is not undertaken for revenue purposes or to generate profit.	3.1		Complies	Complies	Complies	
7	Operational Debt Boundary	Limit beyond which external debt is not normally expected to exceed.	3.2	346.873	346.873	346.873	346.873	
8	Authorised Limit for External Debt	Limit beyond which external debt is prohibited and needs to be revised by full Council.	3.2	430.0	430.0	430.0	430.0	
9	Maturity Structure of borrowing (fixed and variable)	Limits to reduce exposure to large sums falling due for refinancing at the same time.	3.3		Complies	Complies	Complies	
10	Upper limit for principal sums invested for longer than 365 days	Limit of lower of 50% of portfolio or £40m.	4.5		Complies	Complies	Complies	
11	Security of Investments- Compliance with Counterparty Limits.	Limit on investment balances held with Counterparties	4.6		Complies	Complies	Complies	
12	Liability Benchmark	Calculated using the net loan requirement plus an allowance for short term investments needed to provide an adequate but not excessive level of liquidity for daily cash flow management.	2.3	277.008	309.19	310.966	278.941	

All indicators comply with the treasury Management Strategy.

The Liability benchmark could be a concern if costs of capital programme increase above forecasts, then the HRA is required to borrow externally earlier than previously forecast. It is not anticipated that this will be the requirement for 2024/25.