

Appendix 3 - Prudential Indicators Monitoring

The prudential indicators consider the affordability and impact of capital expenditure plans, in line with the prudential code.

Prudential Indicator 1: Estimates of Capital Expenditure (£m)

	23-24 Actuals	2024-25 Budget	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Total	237.29	426.61	337.26	284.69	253.84	186.45

Prudential Indicator 2: Estimate of Capital Financing Requirement (CFR) (£m)

The CFR is the total outstanding capital expenditure not yet financed by revenue or capital resources. It is a measure of the Council's underlying borrowing need.

	23-24 Actuals	2024-25 Budget	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Total CFR	1,268.01	1,300.80	1,251.60	1,243.70	1,254.40	1,241.60

Prudential Indicator 3: Gross Debt and the Capital Financing Requirement (£m)

Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the CFR.

	23-24 Actuals	2024-25 Budget	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Other Long-term Liabilities	178.77	168.00	178.55	178.55	178.55	178.55
External Borrowing	771.89	715.90	715.92	684.73	660.55	653.32
Total Debt	950.66	883.90	894.47	863.28	839.10	831.87
Capital Financing Requirement	1,268.01	1,300.80	1,251.60	1,243.70	1,254.40	1,241.60
Internal Borrowing	317.35	416.90	357.13	380.42	415.30	409.73

Prudential Indicator 4 : Authorised Limit and Operation Boundary for External Debt (£m)

The Authority is legally obliged to set an affordable borrowing limit (the authorised limit for external debt). A lower "operation boundary" is set should debt approach the limit.

	23-24 Actuals	2024-25 Budget	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Authorised Limit - borrowing	946	1,261	1,261	1,271	1,248	1,248
Authorised Limit - Other long term liabilities	179	168	179	179	179	179
Authorised Limit - total external debt	1,125	1,429	1,440	1,450	1,427	1,427
Operational Boundary - borrowing	822	1160.6	1161	1171	1148.1	1148.1
Operational Boundary - Other long term liabilities	179	168	179	179	179	179
Operation Boundary - total external debt	1,001	1,329	1,340	1,350	1,327	1,327

Prudential Indicator 5: Estimate of Finance Costs to Net Revenue Stream (%)

Financing costs comprise interest on loans and minimum revenue provision (MRP) and are charged to revenue. This indicator compares the net financing costs of the Authority to the net revenue stream.

	23-24 Actuals	2024-25 Budget	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Proportion of net revenue stream	8.17%	7.48%	7.41%	6.97%	6.61%	6.61%

Prudential Indicator 6: Estimates of Net Income from Commercial and Service Investments to Net Revenue Stream

	23-24 Actuals	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Net income from commercial and service investments to net revenue stream (%)	0.46	0.60	0.37	0.35