

GENERAL FUND AND HRA CAPITAL OUTTURN 2020/21 – PRUDENTIAL INDICATORS

1. Table 1 below reports the movement in the total capital programme since last reported and updates the prudential indicators up to and including 2024/25. These indicators reflect the change made in this report.

Table 1 – Estimate of Capital Expenditure

Capital Expenditure and Financing	2020/2021	2020/2021	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	Actual £M	Forecast £M	Variance £M	Forecast £M	Forecast £M	Forecast £M	Forecast £M
General Fund	50.20	83.53	(33.33)	147.39	201.09	44.83	17.93
HRA	33.97	47.36	(13.39)	69.92	73.99	98.05	65.55
Total Expenditure	84.17	130.89	(46.72)	217.31	275.07	142.88	83.49
Capital receipts	16.83	17.76	(0.94)	9.52	14.18	9.01	4.32
Capital Grants	30.31	45.96	(15.65)	86.02	62.58	24.36	2.67
Contributions	2.61	9.06	(6.45)	13.42	9.25	3.50	2.50
Major Repairs Allowance	19.06	19.07	(0.01)	25.49	21.53	22.12	22.71
Direct Revenue Financing	7.85	10.41	(2.56)	5.69	6.05	6.70	8.23
Council Resources - borrowing	7.51	28.63	(21.12)	77.17	161.48	77.19	43.06
Total Financing	84.17	130.89	(46.72)	217.31	275.07	142.88	83.49

2. When the strategy was last updated in February 2021, the CFR for 31 March 2021 was estimated at £527.44M, the Council's actual CFR at the end of the year was £506.31M. This decrease was due to the variance in the capital programme, £12.77M on the General Fund and £8.35M on HRA. The capital financing requirement for future years, based on the proposed programme, is detailed in table 2 below.

Table 2 – Current and Estimated Capital Financing Requirement

	31/03/21 Actual	31/03/21 Forecast	Variance	31/03/22 Estimate Forecast	31/03/23 Estimate Forecast	31/03/24 Estimate Forecast	31/03/25 Estimate Forecast
	£M	£M	£M	£M	£M	£M	£M
Balance Brought forward	339.58	339.58	0.00	337.18	374.57	490.39	492.60
New Borrowing	7.51	20.28	(12.77)	48.45	128.06	16.97	12.76
MRP	(6.50)	(6.50)	0.00	(7.24)	(8.73)	(11.10)	(11.72)
Movement in Other Liabilities	(3.41)	(3.41)	0.00	(3.82)	(3.51)	(3.66)	(4.34)
Total General Fund Debt	337.18	349.95	(12.77)	374.57	490.39	492.60	489.30
HRA	169.13	177.48	(8.35)	194.69	226.31	284.73	315.03
Total CFR	506.31	527.43	(21.12)	569.26	716.70	777.33	804.33
Estimated Debt	306.39	359.90	(53.51)	468.83	621.22	682.08	707.23
Under / (Over) Borrowed	199.92	167.53	20.39	100.43	95.48	95.25	97.10

3. The estimated gross debt reported in February 2021 was £359.91M the actual debt at the end of the year was £306.40M. This decrease was due to a reduction in the short-term borrowing requirement of £53.51M. Table 3 below

details this and the estimated debt in future years based on the proposed programme.

4. Table 3 – Current and Estimated Gross Debt

	31/03/21 Actual	31/03/21 Forecast	Variance	31/03/22 Estimate Forecast	31/03/23 Estimate Forecast	31/03/24 Estimate Forecast	31/03/25 Estimate Forecast
	£M	£M	£M	£M	£M	£M	£M
Borrowing (Long Term GF)	95.63	107.63	(12.00)	203.13	327.42	333.52	334.51
Borrowing (Long Term HRA)	135.97	177.48	(41.51)	194.72	226.32	284.73	313.24
Borrowing (Short Term)	10.36	10.36	0.00	10.36	10.36	10.36	10.36
Total Borrowing	241.96	295.47	(53.51)	408.21	564.10	628.61	658.11
Finance leases and Private Finance Initiatives	50.97	50.97	0.00	47.52	44.38	41.09	37.11
Transferred Debt	13.47	13.47	0.00	13.10	12.74	12.38	12.01
Total Other Debt	64.44	64.44	0.00	60.62	57.12	53.47	49.12
Total Debt	306.40	359.91	(53.51)	468.83	621.22	682.08	707.23

5. Table 4 below shows the ratio of financing costs to net revenue stream based on the proposed capital programme. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on the forecast of net revenue expenditure in the medium term financial model. The upper limit for this ratio is currently set at 15% and will remain so for the General Fund to allow for known borrowing decisions in the next five years and to allow for additional borrowing affecting major schemes.

6. This indicator is not so relevant for the HRA, especially since the introduction of self-financing, as financing costs have been built into their 40-year business plan including the voluntary payment of MRP. No problem is seen with the affordability but if problems were to arise then the HRA would have the option not to make principle repayments in the early years, which it has currently opted to do.

7. Table 4 - Ratio of Financing Costs to Net Revenue Stream

	2020/21 Actual	2020/21 Forecast	Variance	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
	%	%	%	%	%	%	%
General Fund	8.39	8.45	(0.06)	10.74	10.64	12.00	12.52
HRA	6.40	6.48	(0.08)	10.98	10.89	12.21	10.72
Total	8.94	9.01	(0.07)	12.14	11.75	13.12	13.26