

APPENDIX C: Prudential Indicators and Treasury Management Targets

	Budget/ Year End Position 2022/23	Forecast/ Actual Quarter 3	Forecast/ Actual Quarter 2
Prudential Indicators			
<p>1 Capital Expenditure This indicator is a summary of The Council's capital expenditure plans.</p> <p>2022/23 Estimate</p>	£10,402,000	£8,214,000 projected	£10,556,000 projected
<p>2 The Council's Borrowing Need This indicator is the Council's Capital Financing Requirement (CFR) which is the historic outstanding capital expenditure which has not yet been paid for either from revenue or capital resources. It is essentially a measure of the Council's indebtedness and so is its underlying borrowing need.</p> <p>Property Investment Dowding House Strategic Land Acquisition Property Purchase The Amelia Scott 2021/22 Actual @ Year End</p> <p>Property Investment Dowding House Strategic Land Acquisition Property Purchase The Amelia Scott Civic Site Essential Works 2022/23 Estimate @ Year End</p>	<p>£900,000 £1,870,000 £924,000 £468,000 £2,000,000 £6,162,000</p>	<p>£855,000 £1,781,000 £882,000 £447,000 £2,000,000 £130,000 £6,095,000 projected</p>	<p>£855,000 £1,781,000 £882,000 £447,000 £2,000,000 £451,000 £6,416,000 projected</p>
<p>3 Core Funds and Expected Investment Balances The application of resources to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources.</p> <p>2021/22 Closing Investments Amount</p> <p>2022/23 Estimate Closing Investments Amount</p> <p>Note: Business rates income owed in relation to 2021/22, from Government and Preceptors, is being recovered on a monthly basis. However, the Section 31 grant, already received for this, will not be paid back to Government until March 2023.</p>	<p>£55,400,000</p>	<p>£49,400,000 projected (Quarter 3 end £72,000,000)</p>	<p>£43,000,000 projected (Quarter 2 end £65,000,000)</p>

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<p>4 Ratio of Financing Costs to Net Revenue Streams This indicator identifies trends in the cost of capital, borrowing and long term obligation costs of net investment income, against net revenue stream.</p> <p>Net Cost of Services Estimate £14,950,000 Borrowing Costs Estimate £0 Percentage 0.00%</p>		<p>£15,278,000 £0 0.00% projected</p>	<p>£15,757,000 £0 0.00% projected</p>
<u>Treasury Indicators</u>			
<p>1 Authorised Limit for External Debt The Council is expected to set a maximum authorised limit for external debt. This limit should not be exceeded and is therefore calculated on the basis of the worst case scenario for cash flow requirements in the short term.</p> <p>Authorised limit for external debt Other long term liabilities (S106 with repayment conditions) Total</p>		<p>£0 £8,171,000</p>	<p>£0 £8,171,000</p>
	£25,000,000	£8,171,000 actual	£8,171,000 actual
<p>2 Operational boundary for external debt The Council is required to set an operational boundary for external debt. This indicates the most likely maximum level of external debt for cash flow requirements in the short term. This indicator may be breached temporarily for operational reasons.</p> <p>Operational boundary for external debt Other long term liabilities (S106 with repayment conditions) Total</p>		<p>£0 £8,171,000</p>	<p>£0 £8,171,000</p>
	£25,000,000	£8,171,000 actual	£8,171,000 actual

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<u>Treasury Management Targets</u>			
<p>1 Target Investment Interest Rate Base Rate 0.75% from 17 Mar 22 to 4 May 22 Base Rate 1.00% from 5 May 22 to 15 Jun 22 Base Rate 1.25% from 16 Jun 22 to 3 Aug 22 Base Rate 1.75% from 4 Aug 22 to 21 Sep 22 Base Rate 2.25% from 22 Sep 22 onwards</p>	1.09%	2.29% projected	1.79% projected
<p>2 Longer term investment decisions Made in the context of a minimum investment rate of</p>	0.40%	£5m investment @ 5.48%	No long term Investments made
<p>3 Cash flow Overall cash flow to be managed to achieve a nil borrowing requirement although borrowing will be considered an option where it is prudent to do so</p>	Nil	Nil	Nil

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<u>Other Key Data</u>			
1 Estimated average equated sums for investment 2022/23 Total	£40,800,000	£69,500,000 projected	£66,800,000 projected
2 Investment Income Investment Income including investments and bank interest	£445,000	£1,595,000 projected (Year to date £1,020,000)	£1,195,000 projected (Year to date £504,000)