

Prudential Indicators Outturn 2023/24

The Council measures and manages its capital expenditure, borrowing and commercial and service investments with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

Capital Expenditure:

The Council has undertaken and is planning capital expenditure as summarised below.

	2022/23 actual £m	2023/24 actual £m	2024/25 budget * £m	2025/26 budget £m
General Fund services	£8.970	£15.429	£19.839	£5.145
Council housing (HRA)	£20.304	£30.387	£28.094	£12.252
Capital investments	£0.000	£0.000	£0.000	£0.000
Total	£29.274	£45.816	£47.933	£17.397

* £0m of capital expenditure in arises from a change in the accounting for leases and does not represent cash expenditure.

The main General Fund capital projects to date have included Refurbishment of Mill Lane Project, General Asset Refurbishment, Dronfield Sports Centre Carbon Efficiencies Programme, Vehicle Replacement, UK Shared Prosperity Fund, Clay Cross Towns Fund Projects, and the rebuilding of Sharley Park Active Community Hub. HRA capital expenditure is recorded separately and to date includes capital works on Council Dwellings, North Wingfield New build Project, Pine View Danesmoor replacement housing and a stock purchase programme.

Capital Financing Requirement:

The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP/loans fund repayments and capital receipts used to replace debt.

	31.3.2023 actual £m	31.3.2024 actual £m	31.3.2025 budget * £m	31.3.2026 budget £m
General Fund services	£20.923	£21.697	£32.029	£28.240
Council housing (HRA)	£171.346	£177.291	£189.288	£189.888
Capital investments	£0.000	£0.000	£0.000	£0.000
TOTAL CFR	£192.270	£198.988	£221.317	£218.128

* £0.693m of the CFR increase in 2024/25 arises from a change in the accounting for leases

Gross Debt and the Capital Financing Requirement:

Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Council has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	31.3.2023 actual £m	31.3.2024 actual £m	31.3.2025 budget £m	31.3.2026 budget £m	Debt at 31.3.2024 £m
Debt (incl. PFI & leases)	£146.921	£142.809	£156.995	£155.995	£142.809
Capital Financing Requirement	£192.270	£198.988	£221.317	£218.128	

Debt and the Authorised Limit and Operational Boundary:

The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	Maximum debt 2023/24 £m	Debt at 31.3.24 £m	2023/24 Authorised Limit £m	2023/24 Operational Boundary £m	Complied?
Borrowing	£146.921	£142.809	£217.500	£212.500	Yes
Total debt	£146.921	£142.809	£217.500	£212.500	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Net Income from Commercial and Service Investments to Net Revenue Stream:

The Authority's income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

	2022/23 actual £m	2023/24 actual £m	2024/25 budget £m	2025/26 budget £m
Total net income from service and commercial investments	1.195	1.203	0.944	0.793
Proportion of net revenue stream	7.96%	7.57%	5.86%	5.67%

Proportion of Financing Costs to Net Revenue Stream:

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue.

The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2022/23 actual	2023/24 actual	2024/25 budget *	2025/26 budget
Financing costs (£m)	(0.4)	(0.8)	(0.1)	0.4
Proportion of net revenue stream	(2.37%)	(4.98%)	(0.52%)	2.75%

* £0m of the increase in financing costs in 2024/25 arises from a change in the accounting for leases and does not represent additional cost to the Authority.

Treasury Management Indicators:

These indicators (Liability Benchmark, Maturity Structure of Borrowing, Long-Term Treasury Management Investments) are within the Appendix 1 Treasury Management Outturn 2023/24.