

## Appendix Three

### Capital Programme Prudential Indicators 2021/22 to 2023/24

CIPFA's revised Prudential Code published in December 2017 sets out the regulatory prudential indicators that authorities must report on each year. The prescribed prudential indicators are:

- Estimate of capital expenditure for the forthcoming year and at least the following two financial years;
- Estimate of capital financing requirement for the forthcoming year and at least the following two financial years; and,
- Estimate of financing costs to net revenue stream for the forthcoming year and at least the following two financial years.

The Prudential Code also advises local authorities to develop their own local indicators as part of their Capital Strategy. The Council has developed a further set of local prudential indicators to support the scrutiny and monitoring of capital investment plans. These indicators provide further analysis of the capital financing requirement (CFR) and minimum revenue provision (MRP) and are reported in the 2021/22 Capital Strategy.

The capital prudential indicators for the Council's 2021/22 three-year Capital Programme are given below. The current commitments and existing plans in the 2020/21 – 2022/23 Capital Programme form the basis for these indicators. Some of the approved schemes span beyond 2023/24 and the indicators for these are also included.

#### Capital Expenditure

The following table sets out the planned capital expenditure, split into General Fund (Non-HRA) and HRA, for each of the years in the proposed programme.

<b>Capital Expenditure</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25 Onwards</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund (non HRA)	119,298	36,707	18,576	40,377
HRA	40,920	34,212	13,093	74,946
<b>Total</b>	<b>160,218</b>	<b>70,919</b>	<b>31,669</b>	<b>115,323</b>

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### Capital Programme Prudential Indicators 2021/22 to 2023/24 (contd)

The following tables set out the resources available for the capital programme highlighting the prudential borrowing required split into General Fund (i.e. Non-HRA) and HRA.

	2021/22	2022/23	2023/24	2024/25
Capital Expenditure	General Fund £000	General Fund £000	General Fund £000	Onwards General Fund £000
<b>Total Capital Expenditure</b>	119,298	36,707	18,576	40,377
<b>Financed By:</b>				
Capital Grants	45,079	10,905	11,603	893
Capital Receipts	3,611	551		
Capital Contributions	3,241	1,493		
Revenue Contribution	2,163	4,072		
<b>Prudential Borrowing</b>	<b>65,204</b>	<b>19,686</b>	<b>6,973</b>	<b>39,484</b>

	2021/22	2022/23	2023/24	2024/25
Capital Expenditure	HRA £000	HRA £000	HRA £000	Onwards HRA £000
<b>Total Capital Expenditure</b>	40,920	34,212	13,093	74,946
<b>Financed By:</b>				
Capital Grants	9,880	3,408	407	14,239
Capital Receipts		3,040	33	15,895
Capital Contributions				
Revenue Contribution	11,917	12,965	12,416	26,480
<b>Prudential Borrowing</b>	<b>19,123</b>	<b>14,799</b>	<b>237</b>	<b>18,332</b>

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### Capital Programme Prudential Indicators 2021/22 to 2023/24

#### Capital Financing Requirement

This measures the Council's cumulative underlying need to borrow as a result of capital investment and is split into General Fund (Non-HRA) and HRA.

Capital Financing Requirement	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
General Fund (non HRA)	696,047	692,212	677,182	694,911	671,714
HRA	169,969	183,363	181,559	192,508	195,577
<b>Total</b>	<b>866,016</b>	<b>875,741</b>	<b>858,741</b>	<b>887,419</b>	<b>867,291</b>

The changes in the Capital Financing Requirement (CFR) over the medium term reflect the amount of prudential borrowing being used to support capital investment. Further analysis of the CFR is provided in the Capital Strategy.

#### Ratio of financing costs to net revenue stream

This is the percentage of the revenue budget set aside each year to service debt-financing costs. The table below sets out the ratio for the General Fund corporate borrowing and then for total financing costs.

Capital Financing Requirement General Fund	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
<i>Net Revenue Stream</i>	270,950	256,552	257,776	262,243	262,243
Total Financing Costs	23,605	25,104	24,569	24,625	26,129
<b>Ratio of total financing costs to Net Revenue Stream</b>	<b>8.71%</b>	<b>9.79%</b>	<b>9.53%</b>	<b>9.39%</b>	<b>9.96%</b>

The table below sets out the ratio of financing costs to net revenue stream for the HRA.

Capital Financing Requirement HRA	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
<i>Net Revenue Stream</i>	54,798	55,896	58,064	60,166	61,081
Total Financing Costs	5,951	6,190	6,331	6,331	6,292
<b>Ratio of total financing costs to Net Revenue Stream</b>	<b>10.86%</b>	<b>11.07%</b>	<b>10.90%</b>	<b>10.52%</b>	<b>10.30%</b>