

## Appendix Three

### Capital Programme Prudential Indicators 2024/25 to 2026/27

CIPFA's Prudential Code 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 Appendix One to the 2024/25 Capital Strategy.

The capital prudential indicators for the Council's 2024/25 three-year Capital Programme are given below. The current commitments and existing plans in the 2023/24 – 2025/26 Capital Programme form the basis for these indicators. Some of the approved schemes span beyond 2026/27 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.

	2024/25	2025/26	2026/27	2027/28 Onwards
Capital Expenditure	£000	£000	£000	£000
General Fund (non HRA)	115,147	43,875	8,398	4,164
HRA	40,108	26,233	28,834	58,543
<b>Total</b>	<b>155,255</b>	<b>70,108</b>	<b>37,232</b>	<b>62,707</b>

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### Capital Programme Prudential Indicators 2024/25 to 2026/27 (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.

<b>Financing</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 Onwards</b>
<b>General Fund</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Capital Expenditure</b>	115,147	43,875	8,398	4,164
<b>Financed By:</b>				
Capital Grants	60,239	27,051	6,184	24
Capital Receipts	340	1,500	500	
Capital Contributions	200			
Revenue Contribution	944	156		
<b>Prudential Borrowing</b>	<b>53,424</b>	<b>15,168</b>	<b>1,714</b>	<b>4,140</b>

<b>Financing</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 Onwards</b>
<b>HRA</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Capital Expenditure</b>	40,108	26,233	28,834	58,543
<b>Financed By:</b>				
Capital Grants	2,498	4,830	2,249	4,498
Capital Receipts	3,705	3,840	9,328	11,632
Capital Contributions				
Revenue Contribution	15,232	14,403	14,713	30,551
<b>Prudential Borrowing</b>	<b>18,673</b>	<b>3,160</b>	<b>2,544</b>	<b>11,862</b>

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### Capital Programme Prudential Indicators 2024/25 to 2026/27 (contd)

#### 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	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
General Fund (non HRA)	765,135	751,992	728,895	709,762	685,813
HRA	178,627	181,787	184,331	190,305	193,942
<b>Total</b>	<b>943,762</b>	<b>933,779</b>	<b>913,226</b>	<b>900,067</b>	<b>880,100</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.

General Fund	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Financing Costs	35,029	33,964	34,056	32,352	31,506
<b>Ratio of total financing costs to Net Revenue Stream</b>	<b>10.71%</b>	<b>10.58%</b>	<b>10.52%</b>	<b>9.92%</b>	<b>9.58%</b>

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

HRA	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Total Financing Costs	6,485	7,332	7,467	7,441	7,971
<b>Ratio to Net Revenue Stream</b>	<b>9.91%</b>	<b>10.75%</b>	<b>10.69%</b>	<b>10.42%</b>	<b>10.92%</b>