

APPENDIX B – PRUDENTIAL INDICATORS FOR QUARTER 3

Prudential Indicator	2024/25 Indicator (Revised as per Mid Year Strategy) £m	Quarter 1 – Actual £m	Quarter 2 – Actual £m	Quarter 3 – Actual £m	Quarter 4 – Actual £m
Non HRA Capital Financing Requirement (CFR)	345	336	336	336	318
HRA CFR	111	105	105	105	103
Gross borrowing	456	311	311	336	420
Investments	50	21	22	26	51
Net borrowing	387	290	289	311	369
Authorised limit for external debt	698	311	311	336	420
Operational boundary for external debt	632	311	311	336	420
Limit of fixed interest rates (borrowing)	698	311	311	336	420
Limit of variable interest rates (borrowing)	349	0	0	0	0
Internal Team Principal sums invested > 364 days	70	0	0	0	0
Maturity structure of borrowing limits	%	%	%	%	%
Under 12 months	15	10	10	9	13
12 months to 2 years	15	0	0	7	14
2 years to 5 years	45	0	2	2	11
5 years to 10 years	75	24	26	24	18
10 years to 20 years	100	26	22	20	18
20 years to 30 years	100	20	25	24	17
30 years to 40 years	100	11	6	6	4
40 years to 50 years	100	2	2	1	1
50 years and above	100	7	7	7	4

The Gross Borrowing Prudential Indicator for 2024/25 was based on existing known borrowing taken out as at the end of January 2024. This borrowing position was based on the policy of utilising internal borrowing rather than external borrowing for capital schemes, whilst cash balances allowed this to continue, in order to minimise the interest cost to the Authority. As at the end of the 2023/24 financial year, it was deemed necessary to re-evaluate the under-borrowed position of the Council, and as a result, PWLB borrowing of £30m over a 12 month period was secured to fund existing capital schemes and additional borrowing of £25m has been secured in November 2024 to manage the treasury management position of the authority. This accounts for the reason why the position at Quarter 3 is greater than the 2024/25 indicator, as highlighted in the table above. It is anticipated that the Council will be undertaking more borrowing before the end of the calendar year, as we look to re-address the under-borrowed position and remove the reliance on internal borrowing using cash balances.

The key prudential indicators which dictate the level of borrowing that can be undertaken by the Authority are the Operational Boundary which determines the likely level of borrowing that may be required to deliver the known commitments of the capital programme; and the Authorised limit provides the total borrowing that the Council may undertake if it should progress all plans as laid out in the Capital Strategy. As noted in the table above, the borrowing level undertaken as at Quarter 3 is well within the parameter of the Operational and Authorised limit for external debt.