

Quarter 3 2023/24 Prudential Indicators

The Authority measures and manages its capital expenditure and borrowing with references to the indicators set out within this report. CIPFA Prudential Code (2021) sets out the requirement for the prudential indicators to be reported on a quarterly basis.

Capital Expenditure:

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

Table 1: Capital Expenditure Forecast

Capital Programme	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Forecast £m	2025/26 Forecast £m
General Fund services	£35.095	£50.716	£98.881	£48.192
Council housing (HRA)	£13.296	£17.118	£18.082	£14.605
Policy/Non-Financial Investments	£20.099	£0.000	£0.000	£0.000
Total Capital Expenditure	£68.490	£67.834	£116.963	£62.797
Resourced by:				
External Funding	£17.760	£30.840	£50.536	£3.446
Capital Receipts	£0.254	£6.526	£3.853	£3.786
General Fund RCCO	£0.706	£0.912	£0.783	£0.000
Housing Revenue Account DRF/MRR	£12.257	£11.400	£18.082	£12.646
Total Resources	£30.977	£49.678	£73.254	£19.878
Financing Requirement	£37.513	£18.156	£43.709	£42.919

The main General Fund capital projects to date include: Highways schemes of £15.117m, Regeneration projects of £11.117m, Schools of £9.064m, Sports and Leisure schemes to a total of £3.948m, Operational Fleet of £3.735m.

HRA capital expenditure of £17.118m is recorded separately.

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 / capital loans repayments and capital receipts used to replace debt.

Table 2: CFR – Capital Financing Requirement

Capital Financing Requirement (CFR)	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m
CFR - GF	£186.619	£202.371	£243.307	£282.975
CFR - HRA	£119.216	£119.216	£119.216	£119.216
CFR - Policy/Non-Financial Investments	£65.285	£65.159	£63.299	£62.800
CFR Balance	£371.120	£386.746	£425.822	£464.991
Movement in CFR	£35.715	£15.626	£39.076	£39.169
Movement in CFR				
Financing Requirement	£37.513	£18.156	£43.709	£42.919
Minimum Revenue Provision (MRP) / Loans Fund Repayments	(£1.798)	(£2.530)	(£4.633)	(£3.750)
Voluntary Revenue Provision (VRP)	£0.000	£0.000	£0.000	£0.000
Movement in CFR	£35.715	£15.626	£39.076	£39.169

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 Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

Table 3: Gross Debt and the CFR – Capital Financing Requirement

Actual External Debt against Capital Borrowing Need	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m
<u>External Debt:</u>				
Debt at 1 April	£220.826	£243.629	£282.855	£326.564
Expected Change in Debt +/-	£22.803	£39.226	£43.709	£42.919
Actual Gross Debt at 31 March	£243.629	£282.855	£326.564	£369.483
Capital Financing Requirement (CFR)	£371.120	£386.746	£425.822	£464.991
Under/(Over) Borrowing	£127.491	£103.891	£99.258	£95.508

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 and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 4: The Operational Boundary

Operational Boundary	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m
Borrowing	£371.120	£386.746	£425.822	£464.991
Other Long-term Liabilities	£0.010	£0.010	£0.010	£0.010
Total	£371.130	£386.756	£425.832	£465.001

Table 5: Authorised Limits

Authorised Limit	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m
Borrowing	£381.120	£396.746	£435.822	£475.991
Other Long-term Liabilities	£0.010	£0.010	£0.010	£0.010
Total	£381.130	£396.756	£435.832	£476.001

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.

Bury
Council