

## TREASURY MANAGEMENT STRATEGY 2020/21

### ANNEX A – Scale of Operations

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**Capital Expenditure** - The projected capital expenditure - presented here in order to show the complete treasury position - and for which approval is separately requested in the Capital Programme 2020/21 – 2022/23 Report is expected to be:

Capital expenditure £M	2019/20 Revised	2020/21 Programme	2021/22 Programme	2022/23 Programme
Non-HRA programme	100	8	37	5
HRA programme	8	13	19	22
<b>Sub total</b>	<b>108</b>	<b>21</b>	<b>56</b>	<b>27</b>
Business Loans Fund	27	64	45	-
<b>Total</b>	<b>135</b>	<b>85</b>	<b>101</b>	<b>27</b>

**Debt Requirement** - Part of the capital expenditure programme will be financed directly through government grants, capital receipts etc. This leaves a residue which will increase the Council's external borrowing requirement (its Capital Financing Requirement [CFR]). The General Fund CFR is reduced each year by a statutory revenue charge for the repayment of debt. The HRA is under no requirement to make such a charge.

Capital Financing Requirement £M	2019/20 Revised	2020/21 Programme	2021/22 Programme	2022/23 Programme
Non-HRA	490	540	604	587
HRA	11	11	19	29
Total	501	551	623	616

Against this borrowing need (the CFR), the Council's expected external debt position for each year (the **Operational Boundary**) and the maximum amount it can borrow (the **Authorised Limit**) are:

£M	2019/20 Revised	2020/21 Projection	2021/22 Projection	2022/23 Projection
Authorised Limit	502	552	623	617
Operational Boundary	463	541	599	592

**Affordability Prudential Indicators** – Actual and estimates of the ratio of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing costs net of investment income) against the net revenue stream:

%	2019/20 Revised	2020/21 Programme	2021/22 Programme	2022/23 Programme
Non-HRA	13.5%	14.1%	15.4%	15.3%
HRA	4.0%	4.0%	5.0%	6.2%

**Investments** - The value of resources applied to finance the capital spend above is one of the elements which influence the Council's overall resources. The expected position of the Council's year-end resources (capital reserves, capital receipts, etc.), is shown below. This is supplemented with the expected cashflow position to provide an overall estimate of the year-end investment position. The Prudential Indicator identifying the ability to invest longer term is also shown.

<b>£M</b>	<b>2019/20 Revised</b>	<b>2020/21 Projection</b>	<b>2021/22 Projection</b>	<b>2022/23 Projection</b>
Total resources	-	-	-	-
Working capital	-	-	-	-
Temporary borrowing	(227)	(300)	(378)	(358)
Sums invested > 364 days	-	-	-	-