

TREASURY MANAGEMENT STRATEGY 2021/22

ANNEX A – Scale of Operations

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 2021/22 – 2023/24 Report is expected to be:

Capital Expenditure £M	2020/21 Revised	2021/22 Programme	2022/23 Programme	2023/24 Programme
Non-HRA programme	69	8	24	45
HRA programme	9	17	26	17
Sub total	78	24	50	61
Business Loans Fund	17	75	40	15
Total	95	99	90	76

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	2020/21 Revised	2021/22 Programme	2022/23 Programme	2023/24 Programme
Non-HRA	517	579	601	601
HRA	11	16	32	39
Total	528	596	633	640

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	2020/21 Revised	2021/22 Projection	2022/23 Projection	2023/24 Projection
Authorised Limit	528	596	633	640
Operational Boundary	518	586	623	630

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:

%	2020/21 Revised	2021/22 Projection	2022/23 Projection	2023/24 Projection
Non-HRA	9.1%	8.7%	10.0%	10.4%
HRA	2.2%	2.7%	4.2%	4.7%

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.

£M	2020/21 Revised	2021/22 Projection	2022/23 Projection	2023/24 Projection
Total Resources	-	-	-	-
Working Capital	-	-	-	-
Temporary Borrowing	(313)	(380)	(416)	(432)
Sums Invested >364 days	-	-	-	-