

## **TREASURY MANAGEMENT STRATEGY 2022/23**

### **APPENDIX 5a – 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 2022/23 – 2024/25 Report is expected to be:

<b>Capital Expenditure £M</b>	<b>2021/22 Revised</b>	<b>2022/23 Programme</b>	<b>2023/24 Programme</b>	<b>2024/25 Programme</b>
Non-HRA programme	38	61	78	62
HRA programme	5	20	24	19
<b>Sub total</b>	<b>43</b>	<b>81</b>	<b>101</b>	<b>81</b>
Business Loans Fund	5	40	50	20
<b>Total</b>	<b>48</b>	<b>121</b>	<b>151</b>	<b>101</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.

<b>Capital Financing Requirement £M</b>	<b>2021/22 Revised</b>	<b>2022/23 Programme</b>	<b>2023/24 Programme</b>	<b>2024/25 Programme</b>
Non-HRA	503	563	638	660
HRA	12	25	38	50
<b>Total</b>	<b>515</b>	<b>587</b>	<b>676</b>	<b>710</b>

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:

<b>£M</b>	<b>2021/22 Revised</b>	<b>2022/23 Projection</b>	<b>2023/24 Projection</b>	<b>2024/25 Projection</b>
Authorised Limit	524	588	677	709
Operational Boundary	514	578	667	699

**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:

<b>%</b>	<b>2021/22 Revised</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>
Non-HRA	4.3%	4.4%	9.3%	12.8%
HRA	2.2%	3.3%	5.3%	7.0%

**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>2021/22 Revised</b>	<b>2022/23 Projection</b>	<b>2023/24 Projection</b>	<b>2024/25 Projection</b>
Total Resources	-	-	-	-
Working Capital	-	-	-	-
Temporary Borrowing	(330)	(387)	(474)	(520)
Sums Invested >364 days	-	-	-	-