

## **TREASURY MANAGEMENT STRATEGY 2023/24**

### **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 and as part of the Capital Programme 2023/24 – 2025/26 Report is expected to be:

<b>Capital Expenditure £M</b>	<b>2022/23 Revised</b>	<b>2023/24 Programme</b>	<b>2024/25 Programme</b>	<b>2025/26 Programme</b>
Non-HRA programme	42	16	23	37
HRA programme	13	23	17	9
<b>Sub total</b>	<b>55</b>	<b>40</b>	<b>40</b>	<b>46</b>
Already Approved Schemes		58	37	18
Business Loans Fund	5	20	20	20
<b>Total</b>	<b>61</b>	<b>118</b>	<b>97</b>	<b>83</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>2022/23 Revised</b>	<b>2023/24 Programme</b>	<b>2024/25 Programme</b>	<b>2025/26 Programme</b>
Non-HRA	586	633	650	667
HRA	25	38	48	50
<b>Total</b>	<b>611</b>	<b>671</b>	<b>698</b>	<b>717</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>2022/23 Revised</b>	<b>2023/24 Projection</b>	<b>2024/25 Projection</b>	<b>2025/26 Projection</b>
Authorised Limit	620	671	699	716
Operational Boundary	610	661	689	706

**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>2022/23 Revised</b>	<b>2023/24 Projection</b>	<b>2024/25 Projection</b>	<b>2025/26 Projection</b>
Non-HRA	7.0%	13.0%	19.0%	21.2%
HRA	4.0%	7.5%	10.4%	11.0%

**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>2022/23 Revised</b>	<b>2023/24 Projection</b>	<b>2024/25 Projection</b>	<b>2025/26 Projection</b>
Total Resources	-	-	-	-
Working Capital	-	-	-	-
Temporary Borrowing	(209)	(276)	(306)	(317)
Sums Invested >364 days	-	-	-	-