

## THE PRUDENTIAL CODE FOR CAPITAL FINANCE: PRUDENTIAL INDICATORS

### 1. Prudential Indicators: the actual position

#### Actual Capital Expenditure for 2023/24

##### Non-HRA and HRA

After the year-end the actual capital expenditure incurred during the financial year will be recorded. This prudential indicator will be referred to as actual capital expenditure and shall be expressed as 'actual capital expenditure for 0X/0Y'. The Code also requires separate identification of the actual HRA and non-HRA elements of this Prudential Indicator. (*Prudential Code, paragraph 56*).

Actual capital expenditure for 23/24	non-HRA	HRA
	£m	£m

### 2. Prudential Indicators for Prudence

#### Prudential Indicators for Prudence: Capital Expenditure (including capital commitments).

##### Non-HRA and HRA

Local authorities are required to make reasonable estimates of the total of capital expenditure that they plan to incur during the forthcoming financial year and at least the following two financial years. These prudential indicators shall be referred to as the 'estimate of total capital expenditure to be incurred in years 1, 2 and 3'. A local authority that has a Housing Revenue Account (HRA) will identify separately estimates of HRA capital expenditure and estimates of non-HRA capital expenditure. (*Prudential Code, paragraphs 54 & 55*).

The Corporate Asset Management Group in conjunction with the Capital Finance Team have completed the capital programme likely to be required over the next three years, together with the financial resources likely to be available for those schemes. This has taken into account new borrowing for which the Government is providing resources to meet interest and debt repayment costs via Formula Grant, Government grants, capital receipts and other funding (including s106 receipts). The current estimates of capital expenditure that should be funded are:

	Total schemes	Non-HRA schemes	HRA schemes
2023/24	£ 39.8M	£ 16.4M	£ 23.4M
2024/25	£ 40.3M	£ 22.9M	£ 17.4M
2025/26	£ 45.7M	£ 36.6M	£ 9.1M

The above figures have to be approved in the February 2023 Capital Programme report. The Council may as part of its budget considerations in future years decide to approve a lower level of capital expenditure - thus reducing the costs of financing in the revenue budget - or a higher level of capital expenditure if there is scope.