

TREASURY MANAGEMENT STRATEGY 2024/25

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 and as part of the Capital Programme 2024/25 – 2026/27 Report is expected to be:

Capital Expenditure £M	2023/24 Revised	2024/25 Programme	2025/26 Programme	2026/27 Programme
Non-HRA programme	113	10	84	38
HRA programme	21	17	10	8
Sub total	134	27	94	46
Already Approved Schemes		58	37	18
Business Loans Fund	5	20	20	20
Total	138	105	151	83

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	2023/24 Revised	2024/25 Programme	2025/26 Programme	2026/27 Programme
Non-HRA	647	688	723	726
HRA	33	40	42	42
Total	680	728	765	768

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	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
Authorised Limit	689	727	766	768
Operational Boundary	679	717	756	758

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:

%	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
Non-HRA	10.1%	18.1%	17.2%	18.1%
HRA	7.7%	10.6%	10.8%	10.8%

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	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
Total Resources	-	-	-	-
Working Capital	-	-	-	-
Temporary Borrowing	(274)	(283)	(312)	(307)
Sums Invested >364 days	-	-	-	-