

## Prudential Indicators Outturn 2023/24

1. The Council measures and manages its capital expenditure, and with references to the following indicators.
2. It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.
3. **Capital Expenditure:** The Council has undertaken and is planning capital expenditure as summarised below

	2022/23 actual	2023/24 actual	2024/25 budget *	2025/26 budget
General Fund services	16,331	18,287	16,568	8,184
Council housing (HRA)	11,459	10,231	37,334	30,632
Capital investments	27,790	28,518	53,902	38,816

4. The main General Fund capital projects to date have included Dover Beacon Project, Development of the Dover Fast Track Bus Route and major restoration works on Maison Dieu (Dover Town Hall). HRA capital expenditure is recorded separately. The Council delivered 29 additional homes to our housing stock, including temporary and general needs accommodation. Additional homes are in the pipeline, as part of our ambitious multi-million-pound programme to provide much-needed homes for local people. The Council incurred £28.5m of capital expenditure, the most significant were the HRA – Affordable Housing Development Project £6.1m, HRA Housing Stock capital works £4.2m, Bus Rapid Transit Route £7.2m, Restoration of Maison Dieu £5.9m Disabled facility grants £2.4m, Sandwich Guildhall Forecourt improvements £443k, Tides Leisure Centre replacement £41k and Dover Beacon - Enabling Project £1.2m.
5. **Capital Financing Requirement:** The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with Minimum Revenue Provision (MRP) and capital receipts used to replace debt.

	31.3.2023 actual 000	31.3.2024 actual 000	31.3.2025 forecast * 000	31.3.2026 forecast 000
General Fund services	74,968	74,345	56,155	54,443
Council housing (HRA)	61,755	59,792	105,496	125,813
Capital investments	27,790	28,518	53,902	38,816
<b>TOTAL CFR</b>	<b>136,723</b>	<b>134,317</b>	<b>161,651</b>	<b>180,135</b>

6. **Gross Debt and the Capital Financing Requirement:** Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Council has complied and expects to continue to comply with this requirement in the medium term as is shown

below.

	<b>31.3.2023 actual 000</b>	<b>31.3.2024 actual 000</b>	<b>31.3.2025 forecast 000</b>	<b>31.3.2026 forecast 000</b>
Borrowing	86,002	108,788	65,778	62,606
Capital Financing Requirement	136,723	134,317	143,284	161,652

7. **Debt and the Authorised Limit and Operational Boundary:** The Council is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	<b>Debt at 31.3.24</b>	<b>2023/24 Authorised Limit</b>	<b>2023/24 Operational Boundary</b>	<b>Complied? Yes/No</b>
Borrowing	108.8m	338.5m	333.0m	Yes

8. Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.
9. **Net Income from Commercial and Service Investments to Net Revenue Stream:** The Council's income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

	<b>2022/23 actual</b>	<b>2023/24 actual</b>	<b>2024/25 budget</b>	<b>2025/26 budget</b>
Total net income from service and commercial investments	1,343	1,477	1,528	1,528
Proportion of net revenue stream	6.8%	7.4%	7.6%	7.2%

10. **Proportion of Financing Costs to Net Revenue Stream:** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP / loans fund repayments are charged to revenue.

11. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	<b>2022/23 actual £000</b>	<b>2023/24 actual £000</b>	<b>2024/25 budget * £000</b>	<b>2025/26 budget £000</b>
Financing costs	1,784	2,657	3,721	1,712
Proportion of net revenue stream	9.1%	13.9%	18.6%	8.5%

12. **Treasury Management Indicators:** These indicators (Liability Benchmark, Maturity Structure of Borrowing and Long-Term Treasury Management Investments) are within the Treasury Management Outturn Report 2023/24.