

APPENDIX 1 - ACTUAL PRUDENTIAL AND TREASURY INDICATORS FOR 2022/23

1. Capital Expenditure

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist in the management of treasury management risks and confirm capital expenditure plans.

	2021/22 Actual (£M)	2022/23 Estimate (£M)	2022/23 Actual (£M)
General Fund	68.879	92.276	63.311
HRA	25.096	30.430	25.096
Total Capital Expenditure	93.975	122.706	88.407

The £34.3M variance in capital expenditure in 2022/23 relates to slippage in the capital programme, as detailed in the 22/23 Capital Programme Performance Report, and the planned spend will be reprofiled across future periods.

2. Capital Financing Requirement (CFR)

This indicator sets out the Council's underlining need to borrow for capital purposes, i.e. its borrowing requirement. The CFR is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.

	2021/22 Actual (£M)	2022/23 Estimate (£M)	2022/23 Actual (£M)
General Fund	570.139	570.139	574.262
HRA	271.734	271.734	271.734
Total (exc. PFI Schemes / finance leases)	841.873	841.873	845.996
Other Long-Term Liabilities	231.531	228.811	228.811
Total CFR	1,073.404	1,070.684	1,074.807

The actual CFR varies from the original estimate mainly due to reprofiling of schemes and priorities within the capital programme. Further details can be found in the 2022/23 Capital Programme Performance report.

3. External Debt

This indicator is obtained directly from the Council's balance sheet and is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit (External Borrowing + Other Long-Term Liabilities).

	2021/22 Actual (£M)	2022/23 Estimate (£M)	2022/23 Actual (£M)
General Fund Borrowing	450.818	424.097	424.097
HRA Borrowing	233.427	227.411	227.411
Total External Borrowing	684.245	651.508	651.508
Other Long-Term Liabilities	193.512	185.122	185.122
Total Debt	877.757	836.631	836.631

4. Operational Boundary for External Debt

This indicator refers to the means by which the authority manages its external debt to ensure it remains within the statutory authorised limit. It differs from the authorised limit in as far as it is based on the most likely scenario, in terms of capital spend and financing during the year and is calculated using the Council's **average** level of debt (including PFI) over the financial year. The average of £861.387M compares to an actual level of debt of £836.631M as at 31 March 2023 (including PFI debt).

Unlike the authorised limit breaches of the operational boundary (due to cash flow movements) are allowed during the year as long as they are not sustained over a period of time.

	2022/23 Limit (£M)	Actual Debt (incl. PFI) 31/03/23 (£M)	2022/23 Average Debt (£M)	Compliant?
Average Debt compared to Operational Boundary	1,083.434	836.631	861.387	YES

5. Authorised Limit for External Debt

The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council. This indicator is calculated using the Council's **maximum** level of debt (including PFI) over the financial year. The maximum of £870.398M compares to an actual level of debt of £836.631M as at 31 March 2023 (including PFI debt).

The Authorised Limit is the statutory limit under the Local Government Act 2003 and must not be exceeded during the year.

	2022/23 Limit (£M)	Actual Debt (incl. PFI) 31/03/23 (£M)	2022/23 Maximum Debt (£M)	Compliant?
Maximum Debt compared to Authorised Limit	1,113.434	836.631	870.398	YES

6. Maturity Structure of Fixed Rate Borrowing

These limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing.

Separate limits have been set for the GF and HRA debt pools. The higher percentage of maturities within 12 months is representative of the strategy of short-term borrowing to minimise debt interest costs. LOBO loans are shown within the 'Less than 12 months' category.

Maturity Period - GF	2022/23 Limit (%)	Actual 31/03/2023 (%)	Compliant?
Less than 12 months	0-50	9	YES
12 months to 2 years	0-25	1	
2 years to 5 years	0-25	3	
5 years to 10 years	0-40	6	
10 years to 20 years	0-75	4	
20 years to 30 years	0-75	11	
30 years to 40 years	0-75	17	
40 years to 50 years	0-75	49	

Maturity Period – HRA	2022/23 Limit (%)	Actual 31/03/2023 (%)	Compliant?
Less than 12 months	0-25	17	YES
12 months to 2 years	0-25	3	
2 years to 5 years	0-25	4	
5 years to 10 years	0-40	5	
10 years to 20 years	0-75	0	
20 years to 30 years	0-75	18	
30 years to 40 years	0-75	53	
40 years to 50 years	0-75	0	

7. Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream. The ratios in relation to the General Fund have been calculated to show debt levels including and excluding borrowing for the PFI schemes.

	2021/22 Actual	2022/23 Estimate	2022/23 Actual
General Fund (including PFI)	20.07%	20.42%	18.98%
General Fund (excluding PFI)	9.53%	9.50%	8.90%
HRA	40.96%	40.47%	40.96%

8. Maximum Principal Sums Invested

This indicator sets an upper limit for the level of investment that may be fixed for a period greater than 365 days. This limit is set to contain exposure to credit and liquidity risk.

	2022/23 Limit (£M)	2022/23 Actual (£M)	Compliant?
Sums Invested > 365 days	20	0	YES

APPENDIX 2 – BMBC BORROWING 2022/23

Movement on External Borrowing

As shown below there was a net decrease of £32.7M on the Council's borrowing portfolio during the year, mainly comprising temporary borrowing transactions to meet short-term cash flow requirements.

The principal repayments made during the year comprise of other local authority loan repayments and scheduled principal repayments to the PWLB and PBB (other long-term loans).

	Balance on 01/04/2022 (£M)	New Borrowing (£M)	Principal Redeemed (£M)	Balance on 31/03/2023 (£M)	Net Movement (£M)
PWLB borrowing	575.345	-	(21.309)	554.036	(21.309)
Other long-term loans	92.142	-	(1.430)	90.712	(1.430)
Temporary loans	0.001	40.000	40.000	0.001	-
Longer term local authority loans	16.757	-	(10.000)	6.757	(10.000)
Total external borrowing	684.245	40.000	(72.739)	651.506	(32.739)

Average Interest Rates on Borrowing as at 31/03/2023

	Balance (£M)	Average Rate (%)
PWLB borrowing	554.036	3.42
Other long-term loans	90.712	4.21
Temporary loans	0.001	0.50
Longer term local authority loans	6.757	2.00
Total external borrowing	651.506	3.21

APPENDIX 3 – BMBC INVESTMENTS 2022/23

Movement on Investments

As shown below, there was a net decrease of £35.1M on the Council's investment portfolio during the year, comprising £685.1M of new investments and £720.2M of principal redeemed. The reduced level of investment balances is as a result of the scheduled principal repayments on long-term loan arrangements and the repayment of local authority loans as detailed above. Officers continue to utilise more liquid investments in order to manage the Council's cash flows in the short term.

	Balance on 01/04/2022 (£M)	New Investments (£M)	Principal Redeemed (£M)	Balance on 31/03/2023 (£M)	Net Movement (£M)
Short term deposits	134.530	264.300	(273.530)	125.300	(9.230)
Money Market Funds / instant access accounts	54.500	420.816	(446.656)	28.660	(25.840)
Total investments	189.030	685.116	(720.186)	153.960	(35.070)

Investment Portfolio as at 31/03/2023

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default	Expected Credit Loss (£)
Barclays Bank Plc (NRFB)	6,210,000	3.65%		Call	A	0.000%	8
MMF Deutsche	1,917,500	3.95%		MMF	AAAm		
MMF Goldman Sachs	5,000,000	3.91%		MMF	AAAm		
MMF Invesco	5,000,000	3.93%		MMF	AAAm		
MMF Aberdeen Standard Investments	5,100,000	3.95%		MMF	AAAm		
MMF Federated Investors (UK)	5,432,500	3.92%		MMF	AAAm		
Liverpool City Council	5,000,000	0.25%	05/04/2022	04/04/2023	AA-	0.000%	0
Lancashire County Council	5,000,000	1.60%	14/10/2022	14/04/2023	AA-	0.001%	0
Lancashire County Council	5,000,000	2.05%	14/10/2022	14/04/2023	AA-	0.001%	0
PCC for Merseyside	5,000,000	1.98%	20/10/2022	20/04/2023	AA-	0.001%	0
PCC for Merseyside	5,000,000	1.25%	29/07/2022	28/04/2023	AA-	0.002%	0
Birmingham City Council	5,000,000	1.99%	28/10/2022	28/04/2023	AA-	0.002%	0
Lancashire County Council	5,000,000	1.25%	01/08/2022	02/05/2023	AA-	0.002%	0
Cheshire East Council	6,000,000	1.90%	20/09/2022	05/05/2023	AA-	0.002%	0
Blackpool Borough Council	5,000,000	1.25%	08/08/2022	09/05/2023	AA-	0.002%	0
Basildon District Council	5,000,000	2.05%	21/11/2022	22/05/2023	AA-	0.003%	0
North Lanarkshire Council	5,000,000	1.70%	01/09/2022	01/06/2023	AA-	0.004%	0
Blaenau Gwent County Borough Council	5,000,000	2.20%	01/12/2022	01/06/2023	AA-	0.004%	0
Broxbourne Borough Council	2,570,000	1.50%	19/08/2022	18/08/2023	AA-	0.009%	0
West Dunbartonshire Council	5,000,000	2.00%	22/08/2022	21/08/2023	AA-	0.009%	0
Surrey Heath Borough Council	3,000,000	1.90%	30/08/2022	29/08/2023	AA-	0.009%	0
North Lanarkshire Council	5,000,000	2.20%	28/11/2022	29/08/2023	AA-	0.009%	0
Basildon District Council	5,000,000	2.25%	16/12/2022	18/09/2023	AA-	0.011%	0
Broxbourne Borough Council	3,530,000	2.20%	04/10/2022	03/10/2023	AA-	0.011%	0
South Cambridgeshire District Council	5,000,000	2.25%	18/11/2022	17/11/2023	AA-	0.014%	0
Gloucester City Council	5,200,000	2.20%	29/11/2022	28/11/2023	AA-	0.015%	0
Watford Borough Council	10,000,000	2.50%	12/12/2022	11/12/2023	AA-	0.016%	0
Eastleigh Borough Council	5,000,000	2.25%	16/01/2023	15/01/2024	AA-	0.018%	0
London Borough of Hillingdon	5,000,000	4.50%	19/01/2023	18/01/2024	AA-	0.018%	0
London Borough of Hillingdon	5,000,000	4.50%	27/01/2023	26/01/2024	AA-	0.019%	0
Monmouthshire County Council	5,000,000	4.60%	21/03/2023	19/03/2024	AA-	0.022%	0
Total Investments	£153,960,000	2.51%				0.008%	£8