

ANNEX A-3

NON-TREASURY MANAGEMENT PRUDENTIAL INDICATORS

ANNEX A-3: Non-Treasury Prudential Indicators

1. BACKGROUND

- 1.1** The Council measures and manages its capital expenditure, borrowing and commercial and service investments with reference to the following indicators. It is a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis

2. CAPITAL EXPENDITURE

- 2.1** Cotswold District Council has undertaken and is planning capital expenditure as summarised below.

	2025/26 Outturn (£)	2026/27 Forecast (£)	2027/28 Budget (£)	2028/29 Budget (£)
Capital Expenditure				
General Fund Services	2,604,000	10,973,000	4,057,000	2,130,000
Capital Investments	0	0	0	0

- 2.2** The main General Fund capital projects this year include expenditure in respect of Disabled Facilities Grants, purchase of Ubico Vehicles, CIL approved project (Farmors School 3G Pitch) and replacement leisure expenditure.

3. CAPITAL FINANCING REQUIREMENT

- 3.1** 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.

	2025/26 Outturn (£)	2026/27 Forecast (£)	2027/28 Budget (£)	2028/29 Budget (£)
Capital Financing Requirement (CFR)				
General Fund Services	449,000	428,000	396,000	363,000
Capital Investments	0	0	0	0

4. GROSS DEBT AND THE CAPITAL FINANCING REQUIREMENT

- 4.1** 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.

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	31/3/2026 Outturn (£)	31/3/2027 Forecast (£)	31/3/2028 Budget (£)	31/3/2029 Budget (£)	Debt at 30/6/26
Gorss Debt and CFR					
Debt (incl PFI and Leases)	161,581	55,000	0	0	161,581
Capital Financing Requirement	449,000	428,000	396,000	363,000	

5. DEBT AND THE AUTHORISED LIMIT AND OPERATIONAL BOUNDARY

- 5.1 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.

	31/3/2026 Outturn (£)	Debt at 30/6/26 (£)	2026/27 Authorised Limit (£)	2026/27 Operational Boundary (£)	Complied? Yes/No
Gross Debt and CFR					
Debt (incl PFI and Leases)	161,581	161,581	10,000,000	5,000,000	Yes
Capital Financing Requirement	0	0	0	0	Yes
TOTAL Debt	161,581	161,581	10,000,000	5,000,000	

- 5.2 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.

6. NET INCOME FROM COMMERCIAL AND SERVICE INVESTMENTS TO NET REVENUE STREAM

- 6.1 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.

	2025/26 Outturn (£)	2026/27 Forecast (£)	2027/28 Budget (£)	2028/29 Budget (£)
Total net income from service and commercial investments	357,992	501,014	521,937	529,234
Proportion of net revenue stream	2.14%	2.91%	3.16%	3.21%

7. PROPORTION OF FINANCING COST TO NET REVENUE STREAM

- 7.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue.
- 7.2 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 Rate, and general government grants.

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	2025/26 Outturn (£)	2026/27 Forecast (£)	2027/28 Budget (£)	2028/29 Budget (£)
Financing costs (£)	12,216	35,000	33,000	32,000
Proportion of net revenue stream	0.07%	0.20%	0.20%	0.19%

(END)