

Prudential Indicators Monitoring at 30 June 2026

The Local Government Act 2003 requires the Authority to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. To demonstrate that the Authority has fulfilled the requirements of the Prudential Code the following indicators must be set and monitored each year.

Authorised and Operational Limit for External Debt

Actual debt levels are monitored against the Operational Boundary and Authorised Limit for External Debt below. The Operational Boundary is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. The council confirms that the Operational Boundary has not been breached during the third quarter of 2026/27.

The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements. The Authorised Limit was not breached in the in the first quarter of 2026/27 and is not expected to be breached by year end.

Authorised limit for External Debt	£630,000,000
Operational Limit for External Debt	£615,000,000
Capital Financing Requirement for year	£579,504,000

	Actual 31/03/2026	Forecast 31/03/2027
Borrowing	£264,791,128	£260,791,128
Other Long-Term Liabilities	£ 836,000	£ 836,000
Total	£265,627,128	£261,627,128

Interest Rate Exposures

These indicators are set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest exposures. Fixed rate investments are borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

Fixed Interest Rate Exposure

Fixed Interest Net Borrowing limit	£350,000,000
Actual at 30 June 2026	-£17,208,872

Variable Interest Rate Exposure

Variable Interest Net Borrowing limit	£0
Actual at 30 June 2026	-£109,078,198

Principal Sums Invested over 365 days

Total sums invested for more than 364 days limit	£150,000,000
Actual sums invested for more than 364 days	£ 15,000,000

Maturity Structure of Borrowing

This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing and the actual structure at June 2025, are shown below. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

	Limit %	Actual %
Under 12 months	0 - 20	19.71
12 – 24 months	0 - 25	3.45
24 months – 5 years	0 - 35	8.20
5 years to 10 years	5 - 40	24.92
10 years +	25 - 95	43.71