

BDC TREASURY MANAGEMENT – OUTTURN 2023/24

Capital Financing Requirement

The key area of Treasury Management is the measurement and control of the overall debt position of the Council. This is calculated through the Capital Financing Requirement (CFR). The CFR calculates the Council's underlying need to borrow in order to finance its capital expenditure. The revised estimate of the CFR for 2023/24 and the actual outturn CFR are shown in the table below: -

	Current Budget 2023/24 £000	Outturn 2023/24 £000
Capital Financing Requirement 1 April 2023	117,204	117,204
Prudential Borrowing HRA	13,656	7,075
Minimum Revenue Provision (MRP)	(364)	(364)
Movement on other debt – retentions	0	66
Capital Financing Requirement 31 March 2024	130,496	123,981

The overall outturn position shows a net increase in outstanding debt of £6.777m in 2023/24 when compared to the opening CFR. Prudential borrowing has been undertaken by the Council in 2023/24 totalling £7.075m on new HRA Council Dwellings and the Crematorium at Shirebrook.

The Capital Financing requirement is split between the HRA and General Fund, the balance of each is shown below:

Capital Financing Requirement at 31 March 2024	£000
General Fund	8,800
Housing Revenue Account	115,181
Total CFR	123,981

How the CFR is covered.

As mentioned above the CFR is the Council's underlying need to borrow to finance capital expenditure. To finance the CFR the Council has external borrowing and the use of its own reserves and balances. The position as at 31 March 2024 is as follows:

	£000
Capital Financing Requirement 31 March 2024	123,981
Financed from:	
External Borrowing via PWLB	86,000
Use of internal balances and reserves	37,981
Total Financing of CFR	123,981

PWLB Borrowing

The Council's total outstanding PWLB debt amounted to £89.400m at 1 April 2023. During 2023/24 £3.4m of principal has been repaid. No new loans have been taken out with the PWLB during 2023/24. The profile of the outstanding debt is analysed as follows: -

PWLB BORROWING	Maturity Profile 31 March 2023 £	Maturity Profile 31 March 2024 £
Term		
12 Months	3,400,000	7,200,000
1 - 2 years	7,200,000	2,000,000
2 - 5 years	12,800,000	14,800,000
5 - 10 years	21,000,000	22,000,000
Over 10 years	45,000,000	40,000,000
Total PWLB Debt	89,400,000	86,000,000

PWLB Interest

The interest cost to the Council of the PWLB debt for 2023/24 is £3.093m. The cost is split within the accounts between the HRA and General Fund based on the level of debt outstanding within the CFR.

Temporary Borrowing

Cash flow monitoring and management serves to identify the need for short-term borrowing to cover delays in the receipt of income during the course of the year. During 2023/24 no short-term borrowing was undertaken by the Council and therefore no interest charges were incurred.

Temporary / Fixed Investments

The table below details the fixed investments held at 31 March 2024

Bank Name	Balance Invested 31 March 24 £000
Call Accounts	
Money Market Funds	26,500
Total	26,500

From the table above it can be seen that the balance invested by the Council at 31 March 2024 is £26.500m. Interest earned from temporary investments during 2023/24 amounted to £1.756m and is detailed in the following table:

	Average Period each Investment	Total Investment during year £	Interest Received 2023/24 £
Local Authorities	1 months	200,000	704
Money Market Funds	Overnight	Average interest rate 4.99%	1,755,850
Total			1,756,554

Overnight Balances

The balance of any daily funds is retained in the Council's general account with Lloyds Bank.

Compliance with Treasury Limits

During the financial year the Council continued to operate within the treasury limits set out in the Council's Borrowing and Investment Strategy.

	Set Limits in year 2023/24 £000	Actual in year 2023/24 £000
Authorised (total Council external borrowing limit)	140,496	133,981
Operational Boundary	135,496	128,981