

BDC TREASURY MANAGEMENT – OUTTURN 2024/25**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 2024/25 and the actual outturn CFR are shown in the table below:

	Current Budget 2024/25 £000	Outturn 2024/25 £000
<i>Capital Financing Requirement 1 April 2024</i>	123,981	123,981
Prudential Borrowing HRA & GF	15,679	6,430
Minimum Revenue Provision (MRP)	(278)	(278)
Additional Voluntary Contributions	0	(326)
Movement on other debt – retentions	0	153
<i>Capital Financing Requirement 31 March 2025</i>	139,382	129,960

The overall outturn position shows a net increase of outstanding debt of £5.979m in 2024/25 when compared to the opening CFR at 1 April 2024. This is £9.422m less borrowing than we estimated based on the capital programme at revised budget time. Prudential borrowing has been undertaken by the Council in 2024/25 totalling £6.430m 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 2025	£000
General Fund	11,843
Housing Revenue Account	118,117
Total CFR	129,960

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 2025 is as follows:

	£000
Capital Financing Requirement 31 March 2025	129,960
Financed from:	
External Borrowing via PWLB	78,800
Use of internal balances and reserves (the balance)	51,160
Total Financing of CFR	129,960

PWLB Borrowing

The Council's total outstanding PWLB debt amounted to £86.000m at 1 April 2024. During 2024/25, £7.2m of principal has been repaid. No new loans have been taken out with the PWLB during 2024/25. The profile of the outstanding debt is analysed as follows:

PWLB BORROWING	Maturity Profile 31 March 2024 £	Maturity Profile 31 March 2025 £
Term		
12 Months	7,200,000	2,000,000
1 - 2 years	2,000,000	3,000,000
2 - 5 years	14,800,000	15,800,000
5 - 10 years	22,000,000	23,000,000
Over 10 years	40,000,000	35,000,000
Total PWLB Debt	86,000,000	78,800,000

PWLB Interest

The interest cost to the Council of the PWLB debt for 2024/25 is £2.837m. The cost is split within the revenue 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 2024/25 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 2025

Bank Name	Balance Invested 31 March 25 £000
Money Market Funds	18,000
Total	18,000

From the table above it can be seen that the balance invested by the Council at 31 March 2025 is £18m. Interest earned from temporary investments during 2024/25 amounted to £1.272m and is detailed in the following table:

	Average Period each Investment	Total Investment during year £	Interest Received 2024/25 £
Local Authorities	6 months	104,000	2,468
Money Market Funds	Overnight	Average interest rate 4.94%	1,269,117
Total			1,271,585

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.

	Actual in year 2024/25 £000	Set Limits in year 2024/25 £000
Authorised (total Council external borrowing limit)	139,960	149,382
Operational Boundary	134,960	144,382