

Capital Strategy

2024/25

Including Minimum Revenue Provision
Policy

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2.1. Capital Expenditure *Table 1: Prudential Indicator: Estimates of Capital Expenditure*

	2022/23 actual £(000)	2023/24 forecast £(000)	2024/25 budget * £(000)	2025/26 budget £(000)	2026/27 budget £(000)
General Fund services	15,430	31,322	16,437	1,452	2,326
Capital investments	-	-	-	-	-
TOTAL	15,430	31,322	16,437	1,452	2,326

Summer

- New capital investment proposals drafted

Autumn

- Management Team consider draft proposals

Winter

- Elected Members consider draft proposals

Spring

- Elected Members approve capital investment proposals

Table 2: Capital financing

	2022/23 actual £(000)	2023/24 forecast £(000)	2024/25 budget * £(000)	2025/26 budget £(000)	2026/27 budget £(000)
External sources	2,207	3,506	83	-	-
Capital receipts	1,427	306	250	250	250
Revenue resources	53	3,288	2,051	650	650
Debt	11,743	24,222	14,053	552	1,426
TOTAL	15,430	31,322	16,437	1,452	2,326

Table 3: Replacement of prior years' debt finance

	2022/23 actual £(000)	2023/24 forecast £(000)	2024/25 budget £(000)	2025/26 budget £(000)	2026/27 budget £(000)
Minimum revenue provision (MRP)	0	594	1,032	2,701	2,786
Capital receipts	0	-	6,000	-	-
TOTAL	0	594	7,032	2,701	2,786

Table 4: Capital Financing Requirement (CFR)

	2022/23 actual £(000)	2023/24 forecast £(000)	2024/25 budget £(000)	2025/26 budget £(000)	2026/27 budget £(000)
Capital Financing Requirement (CFR)	40,071	63,699	70,720	68,570	67,210

3.6.1. To ensure that capital assets continue to be of long-term use, the Authority has an asset management strategy in place. The council's assets are being reviewed to identify assets for disposal to repay borrowing. The council is exploring transferring parks, open spaces, playing fields, playgrounds, grass verges and woodland to Town and Parish Councils. Ware Town Council has come forward with a desire to transfer assets and we are working with them to develop this policy.

Asset Disposals Table 5: Capital receipts receivable

	2022/23 actual £(000)	2023/24 forecast £(000)	2024/25 budget £(000)	2025/26 budget £(000)	2026/27 budget £(000)
Asset sales	1,177	3,256	6,000	-	-
Preserved Right to Buy Receipts	250	250	250	250	250
Loans etc repaid	-	-	-	-	-
TOTAL	1,427	3,506	6,250	250	250

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31.3.2023 actual £(000)	31.3.2024 forecast £(000)	31.3.2025 budget £(000)	31.3.2026 budget £(000)	31.3.2027 budget £(000)
Debt (incl. PFI & leases)	31,522	55,180	62,827	60,678	59,318
Capital Financing Requirement	40,071	63,699	70,720	68,570	67,210

Table 7: Borrowing and the Liability Benchmark

	31.3.2023 actual £(000)	31.3.2024 forecast £(000)	31.3.2025 budget £(000)	31.3.2026 budget £(000)	31.3.2027 budget £(000)
Forecast borrowing	31,522	55,180	62,827	60,678	59,318
Liability benchmark	15,497	39,125	56,146	59,997	58,637

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt

	2023/24 limit £(000)	2024/25 limit £(000)	2025/26 limit £(000)	2026/27 limit £(000)
Authorised limit - total external debt	180	150	150	150
Operational boundary - total external debt	90	75	75	75

Table 9: Treasury management investments

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Near-term investments	6,056	6,056	6,056	11,000	11,000
Longer-term investments	19,999	19,999	9,998	-	-
TOTAL	26,055	26,055	16,054	11,000	11,000

Table 11: Prudential Indicator: Proportion of financing costs to net revenue stream

	2022/23 actual	2023/24 forecast	2024/25 budget *	2025/26 budget	2026/27 budget
Financing costs (£m)		£1,536	£3.987	£4.903	£4.314
Proportion of net revenue stream	%	%	%	%	%