

Table 1: Prudential Indicators - Authorised limit and operational boundary for external debt

	2022/23	2023/24	2024/25	2025/26
	£m	Est. £m	Est. £m	Est. £m
Authorised borrowing limit	1,450	1,450	1,450	1,450
Operational boundary	1,350	1,350	1,350	1,350

Table 2: Estimates of financing costs to net revenue stream is a measure of the affordability of borrowing. The Council's financing costs relate substantially to borrowing when commercial property was acquired prior to March 2019. As the CIPFA TM Code notes, commercial investments are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services. However, as commercial property was directly related to borrowing costs, Table 3 also shows the net income after costs and contributions to future costs. This illustrates the affordability of the commercial investments.

	2021/22	2022/23	2023/24	2024/25
Net Revenue Stream, £m	12.370	13.799	11.928	12.184
Financing costs, £m	35.927	35.911	36.245	36.687
Ratio	2.904	2.602	3.039	3.011

Table 3: Commercial income, related costs and net contributions to future costs

	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
Commercial income *	(51.339)	(59.246)	(60.488)	(62.218)
Landlord costs *	0.000	9.214	10.241	5.883
Contribution to sinking funds	4.189	2.988	0.993	5.371
Financing costs	35.927	35.911	36.245	36.687
Net income after landlord & financing costs & net contributions to sinking fund	(11.223)	(11.133)	(13.009)	(14.277)

* From 2022/23, the income is shown gross, with landlord costs identified separately