

ANNUAL TREASURY MANAGEMENT UPDATE 2021 / 22

Compliance with Prudential Indicators

(a) Estimates of Capital Expenditure

The Council's planned capital expenditure and financing may be summarised as follows:

| Capital Expenditure and Financing | 2021 / 22 Actual £000 | 2022 / 23 Estimate £000 | 2023 / 24 Estimate £000 | 2024 / 25 Estimate £000 |
|------------------------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| Total Expenditure | 861 | 957 | 759 | 489 |
| Capital Receipts | 303 | 537 | 339 | 69 |
| Government Grants | 558 | 420 | 420 | 420 |
| Contributions | 0 | 0 | 0 | 0 |
| Total Financing | 861 | 957 | 759 | 489 |
| Supported borrowing | 0 | 0 | 0 | 0 |
| Unsupported borrowing | 0 | 0 | 0 | 0 |
| Total Funding | 0 | 0 | 0 | 0 |
| Total Financing and Funding | 861 | 957 | 759 | 489 |

The table above shows that the capital expenditure plans of the council can be funded entirely from sources other than external borrowing.

(b) Operational Boundary for External Debt and Authorised Limit for External Debt

The Council is currently debt free and currently has had no need to borrow.

(c) Incremental Impact of Capital Investment Decisions

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

| Incremental Impact of Capital Investment Decisions | 2020/21 Estimate £ | 2021/22 Estimate £ | 2022/23 Estimate £ | 2023/24 Estimate £ |
|--|--------------------|--------------------|--------------------|--------------------|
| Increase in Band D Council Tax | 0 | 0 | 0 | 0 |

The impact on Band D Council Tax highlighted above is NIL as the capital Programme is fully financed by Capital Receipts and Government Grants.

(d) Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average [credit rating] or [credit score] of its investment portfolio. This is calculated by applying a score to each investment (AAA = 1, AA+ = 2, AA = 3, AA- = 4, A+ = 5, A = 6, etc.) and taking the arithmetic average, weighted by the size of each investment. The below table shows Maldon District Council (MDC) is exceeding its target credit score.

| | Target | Actual |
|--------------------------------|---------------|---------------|
| Portfolio average credit score | 4.6 | 4.3 |

Liquidity

The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling 3-month period, without additional borrowing.

| | Target | Actual |
|--------------------------------------|---------------|---------------|
| Total cash available within 3 months | £14.0m | £24.3m |