Liability Benchmark

A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1 **Existing loan debt outstanding**: the Authority's existing loans that are still outstanding in future years.

2 **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned Loans Fund advances/Loans Fund principal repayments.

3 **Net loans requirement**: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned Loans Fund principal repayments and any other major cash flows forecast.

4 **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

The proposed planned prudential borrowing, as laid out in the General Fund and Housing Capital plans is forecast to place the Council in a large under borrowed position, as demonstrated by the LB

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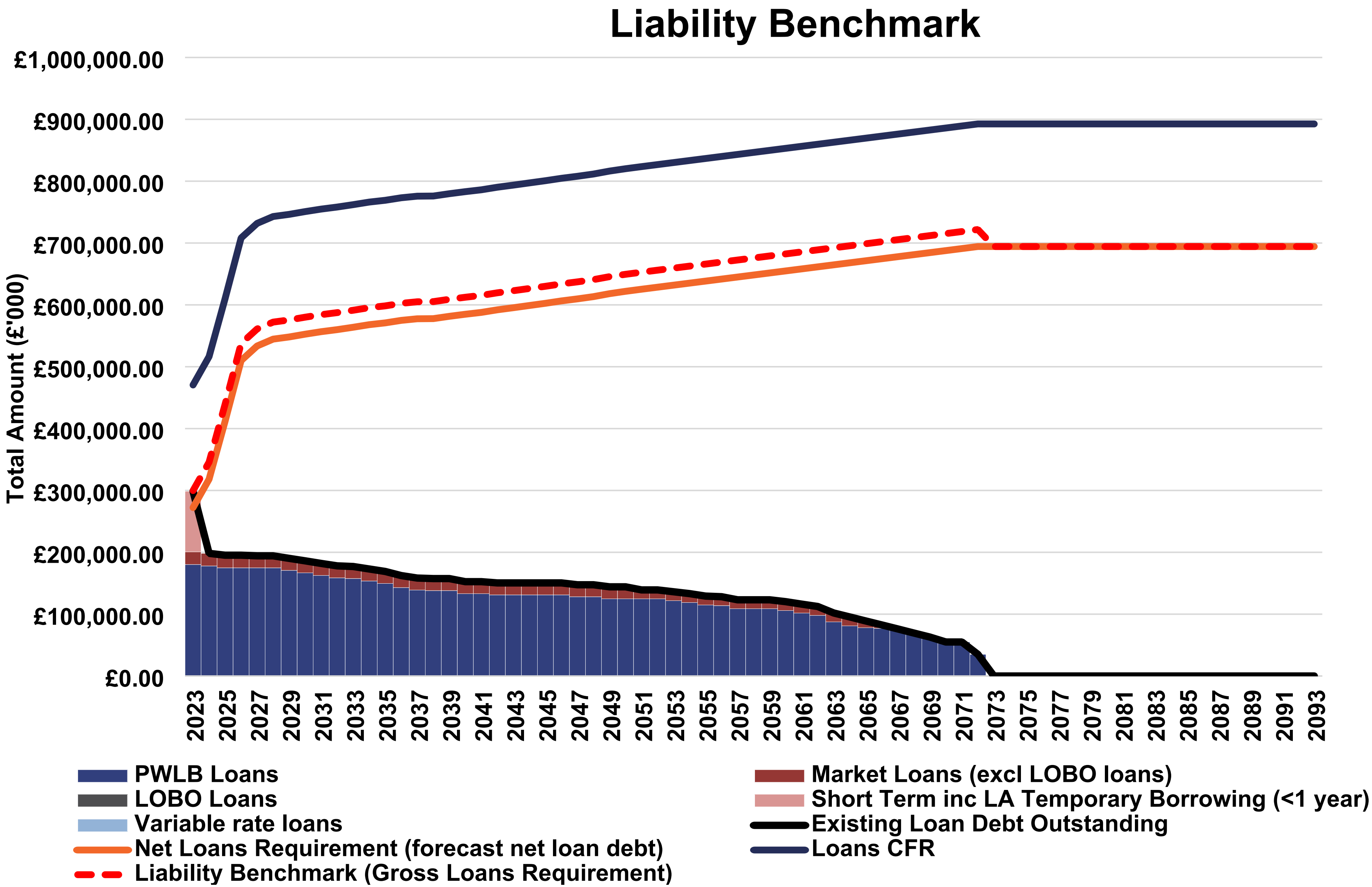
Liability Benchmark
Total Amount (£'000)
£1,000,000.00
£900,000.00
£800,000.00
£700,000.00
£600,000.00
£500,000.00
£400,000.00
£300,000.00
£200,000.00
£100,000.00
£0.00
2023 2025 2027 2029 2031 2033 2035 2037 2039 2041 2043 2045 2047 2049 2051 2053 2055 2057 2059 2061 2063 2065 2067 2069 2071 2073 2075 2077 2079 2081 2083 2085 2087 2089 2091 2093
PWLB Loans
Market Loans (excl LOBO loans)
LOBO Loans
Short Term inc LA Temporary Borrowing (<1 year)
Variable rate loans
Existing Loan Debt Outstanding
Net Loans Requirement (forecast net loan debt)
Loans CFR
Liability Benchmark (Gross Loans Requirement)