

## APPENDIX B

### SHROPSHIRE COUNCIL PRUDENTIAL INDICATORS 2017/18

- C1. The Prudential Code requires the Council to set Prudential Indicators in the Treasury Strategy and report performance against those indicators in the Annual Treasury Report.
- C2. The ratio of financing costs compared to the net revenue stream of the Council was slightly lower than expected in 2017/18 due to net revenue stream being higher than estimated.

Prudential Indicator	2017/18 Estimate	2017/18 Actual
	%	%
<b>Non HRA Ratio of financing costs to net revenue stream</b>	9.3	8.7

Prudential Indicator	2017/18 Estimate	2017/18 Actual
	%	%
<b>Non HRA Ratio of financing costs (net of investment income) to net revenue stream</b>	9.0	8.2
<b>HRA Ratio of financing costs to HRA net revenue stream</b>	39.3	38.1

- C3. The cost of capital investment decisions funded from a re-direction of existing resources was as expected due to no new borrowing during the year.

Prudential Indicator	2017/18 Estimate	2017/18 Actual
<b>Estimates of impact of Capital Investment decisions in the present capital programme</b>	<b>£ p</b>	<b>£ p</b>
Cost of capital investment decisions funded from re-direction of existing resources (Council Tax Band D, per annum)	20.00	20.00
Cost of capital investment decisions funded from increase in council tax (Council Tax Band D, per annum)	0	0
Cost of capital investment decisions funded from increase in average housing rent per week	0	0
<b>Total</b>	<b>20.00</b>	<b>20.00</b>

- C4. It can be seen from the tables that the authority was well within the approved authorised limit and the operational boundary for external debt for 2017/18.

Prudential Indicator	2017/18 Estimate	2017/18 Actual
<b>External Debt</b>	<b>£ m</b>	<b>£ m</b>
<b>Authorised Limit:</b>		
Borrowing	463	318
Other long term liabilities	102	105
<b>Total</b>	<b>565</b>	<b>423</b>

Prudential Indicator	2017/18 Estimate	2017/18 Actual
<b>External Debt</b>	<b>£ m</b>	<b>£ m</b>
<b>Operational Boundary:</b>		
Borrowing	400	318
Other long term liabilities	102	105
<b>Total</b>	<b>502</b>	<b>423</b>

- C5. Gross borrowing was as anticipated due to no general fund borrowing being undertaken in 2017/18. A key indicator of prudence is that net borrowing should not exceed the capital financing requirement. It can be seen from the following figures that the Council continues to meet this prudential indicator.

Prudential Indicator	2017/18 Revised Estimate	2017/18 Actual
<b>Net Borrowing &amp; Capital Financing Requirement:</b>	<b>£ m</b>	<b>£ m</b>
Gross Borrowing (inc. HRA)	318	318
Investments	160	92
<b>Net Borrowing</b>	<b>158</b>	<b>226</b>
Non HRA Capital Financing Requirement	254	268
HRA Capital Financing Requirement	85	85
<b>Total CFR</b>	<b>339</b>	<b>353</b>

- C6. Non HRA capital expenditure was lower than anticipated during the year, whilst HRA capital expenditure was higher than anticipated. Explanations for these under/overspends were included in the 2017/18 final capital outturn report.

Prudential Indicator	2017/18 Revised Estimate	2017/18 Actual
	<b>£ m</b>	<b>£ m</b>
<b>Non HRA Capital expenditure</b>	60.4	42.8
<b>HRA Capital expenditure</b>	5.6	6.9

- C7. The level of fixed rate and variable rate borrowing were within the approved limits for the year.

<b>Prudential Indicator</b>	<b>2017/18 Estimate</b>	<b>2017/18 Actual</b>
<b>Upper Limit For Fixed/Variable Rate Borrowing</b>	<b>£ m</b>	<b>£ m</b>
Fixed Rate (GF)	463	233
Fixed Rate (HRA)	96	85
Variable Rate	232	0

- C8. The level of fixed rate and variable rate investments were within the approved limits during 2017/18.

<b>Prudential Indicator</b>	<b>2017/18 Estimate</b>	<b>2017/18 Actual</b>
<b>Upper Limit For Fixed/Variable Rate Investments</b>	<b>£ m</b>	<b>£ m</b>
Fixed Rate	220	40
Variable Rate	220	52

- C9. Longer term investments were held at the year-end due to the investment in Shrewsbury Shopping Centres.

<b>Prudential Indicator</b>	<b>2017/18 Estimate</b>	<b>2017/18 Actual</b>
<b>Upper Limit For Sums Invested over 364 days</b>	<b>£m</b>	<b>£m</b>
Internal Team	40	0
External Manager	30	0
Shrewsbury Shopping Centres	60	53

- C10. The maturity profile was within the limits set in the Treasury Strategy.

<b>Prudential Indicator</b>	<b>2017/18 Upper Limit</b>	<b>2017/18 Actual</b>
<b>Maturity Structure of External Borrowing</b>	<b>%</b>	<b>%</b>
Under 12 months	15	2
12 months to 2 years	15	1
2 years to 5 years	45	5
5 years to 10 years	75	2
10 years to 20 years	100	36
20 years to 30 years	100	23
30 years top 40 years	100	15
40 years to 50 years	100	7
50 years and above	100	9