

APPENDIX C

SHROPSHIRE COUNCIL PRUDENTIAL INDICATORS 2012/13

- 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 lower than expected in 2012/13 due to no general fund borrowing being undertaken during the year.

Prudential Indicator	2012/13 Revised Estimate	2012/13 Actual
	%	%
Non HRA Ratio of financing costs to net revenue stream	11.0	10.3

Prudential Indicator	2012/13 Revised Estimate	2012/13 Actual
	%	%
Non HRA Ratio of financing costs (net of investment income) to net revenue stream	10.8	9.9
HRA Ratio of financing costs to HRA net revenue stream	42.8	42.5

- C3. The cost of capital investment decisions funded from a re-direction of existing resources was lower than anticipated due to re-profiling of expenditure in the capital programme from 2012/13 to 2013/14 and the active programme to generate additional capital receipts to reduce the requirement for prudential borrowing to finance the capital programme as reported in the monthly capital monitoring reports.

Prudential Indicator	2012/13 Estimate	2012/13 Actual
Estimates of impact of Capital Investment decisions in the present capital programme	£ p	£ p
Cost of capital investment decisions funded from re-direction of existing resources (Council Tax Band D, per annum)	27.25	14.90
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
Total	27.25	14.90

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 2012/13.

Prudential Indicator	2012/13 Estimate	2012/13 Actual
External Debt	£ m	£ m
Authorised Limit:		
Borrowing	490	353
Other long term liabilities	94	22
Total	584	375

Prudential Indicator	2012/13 Estimate	2012/13 Actual
External Debt	£ m	£ m
Operational Boundary:		
Borrowing	441	353
Other long term liabilities	94	22
Total	535	375

C5. Gross borrowing was lower than anticipated due to no general fund borrowing being undertaken in 2012/13. 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. The Capital Financing Requirement was lower than estimated following slippage in the capital programme that resulted in a reduced financing requirement from the capital receipts previously set-aside as at 1 April 2009 as approved by Council.

Prudential Indicator	2012/13 Revised Estimate	2012/13 Actual
Net Borrowing & Capital Financing Requirement:	£ m	£ m
Gross Borrowing (inc HRA)	360	353
Investments	100	94
Net Borrowing	260	259
Non HRA Capital Financing Requirement	277	260
HRA Capital Financing Requirement	86	85
Total CFR	363	345

C6. Total capital expenditure during the year was lower than anticipated. Explanations for these under-spends were included in the 2012/2013 final capital outturn report.

Prudential Indicator	2012/13 Revised Estimate	2012/13 Actual
	£ m	£ m
Non HRA Capital expenditure	50	38
HRA Capital expenditure	5	4

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

Prudential Indicator	2012/13 Estimate	2012/13 Actual
	£ m	£ m
Upper Limit For Fixed/Variable Rate Borrowing		
Fixed Rate (GF)	442	270
Fixed Rate (HRA)	96	83
Variable Rate	221	0

- C8. The level of fixed rate and variable rate investments were within the approved limits during 2012/13.

Prudential Indicator	2012/13 Estimate	2012/13 Actual
	£ m	£ m
Upper Limit For Fixed/Variable Rate Investments		
Fixed Rate	200	62
Variable Rate	200	32

- C9. No investments over 364 days were held by the internal treasury team.

Prudential Indicator	2012/13 Estimate	2012/13 Actual
	£m	£m
Upper Limit For Sums Invested over 364 days		
Internal Team	40	0
External Manager	30	0

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

Prudential Indicator	2012/13 Upper Limit	2012/13 Actual
	%	%
Maturity Structure of External Borrowing		
Under 12 months	15	3
12 months & within 24 months	15	1
24 months & within 5 years	45	6
5 years & within 10 years	75	7
10 years & above	100	83