

APPENDIX B

SHROPSHIRE COUNCIL PRUDENTIAL INDICATORS 2015/16

- 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 2015/16 due to no general fund borrowing being undertaken during the year.

| Prudential Indicator | 2015/16 Estimate | 2015/16 Actual |
|---|------------------|----------------|
| | % | % |
| Non HRA Ratio of financing costs to net revenue stream | 10.7 | 10.3 |

| Prudential Indicator | 2015/16 Estimate | 2015/16 Actual |
|--|------------------|----------------|
| | % | % |
| Non HRA Ratio of financing costs (net of investment income) to net revenue stream | 10.3 | 9.7 |
| HRA Ratio of financing costs to HRA net revenue stream | 41.5 | 40.3 |

- C3. The cost of capital investment decisions funded from a re-direction of existing resources was lower than expected due to lower than anticipated interest rates.

| Prudential Indicator | 2015/16 Estimate | 2015/16 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) | 22.62 | 21.52 |
| 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 | 22.62 | 21.52 |

- 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 2015/16.

| Prudential Indicator | 2015/16 Estimate | 2015/16 Actual |
|-----------------------------|------------------|----------------|
| External Debt | £ m | £ m |
| Authorised Limit: | | |
| Borrowing | 442 | 329 |
| Other long term liabilities | 81 | 97 |
| Total | 523 | 426 |

| Prudential Indicator | 2015/16 Estimate | 2015/16 Actual |
|------------------------------|------------------|----------------|
| External Debt | £ m | £ m |
| Operational Boundary: | | |
| Borrowing | 406 | 329 |
| Other long term liabilities | 81 | 97 |
| Total | 487 | 426 |

- C5. Gross borrowing was as anticipated due to no general fund borrowing being undertaken in 2015/16. 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 approved by Council.

| Prudential Indicator | 2015/16 Revised Estimate | 2015/16 Actual |
|---|--------------------------|----------------|
| Net Borrowing & Capital Financing Requirement: | £ m | £ m |
| Gross Borrowing (inc. HRA) | 329 | 329 |
| Investments | 140 | 134 |
| Net Borrowing | 189 | 195 |
| Non HRA Capital Financing Requirement | 253 | 243 |
| HRA Capital Financing Requirement | 85 | 85 |
| Total CFR | 338 | 328 |

- C6. Total capital expenditure during the year was lower than anticipated. Explanations for these under-spends were included in the 2015/2016 final capital outturn report.

| Prudential Indicator | 2015/16 Revised Estimate | 2015/16 Actual |
|----------------------|--------------------------|----------------|
| | £ m | £ m |

| | | |
|------------------------------------|----|----|
| Non HRA Capital expenditure | 46 | 40 |
| HRA Capital expenditure | 5 | 5 |

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

| Prudential Indicator | 2015/16 Estimate | 2015/16 Actual |
|--|-------------------------|-----------------------|
| Upper Limit For Fixed/Variable Rate Borrowing | £ m | £ m |
| Fixed Rate (GF) | 442 | 244 |
| Fixed Rate (HRA) | 96 | 85 |
| Variable Rate | 221 | 0 |

- C8. The level of fixed rate and variable rate investments were within the approved limits during 2015/16.

| Prudential Indicator | 2015/16 Estimate | 2015/16 Actual |
|--|-------------------------|-----------------------|
| Upper Limit For Fixed/Variable Rate Investments | £ m | £ m |
| Fixed Rate | 200 | 87 |
| Variable Rate | 200 | 47 |

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

| Prudential Indicator | 2015/16 Estimate | 2015/16 Actual |
|--|-------------------------|-----------------------|
| Upper Limit For Sums Invested over 364 days | £m | £m |
| Internal Team | 40 | 0 |
| External Manager | 30 | 0 |

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

| Prudential Indicator | 2015/16 Upper Limit | 2015/16 Actual |
|---|----------------------------|-----------------------|
| Maturity Structure of External Borrowing | % | % |
| Under 12 months | 15 | 2 |
| 12 months to 2 years | 15 | 2 |
| 2 years to 5 years | 45 | 4 |
| 5 years to 10 years | 75 | 6 |
| 10 years to 20 years | 100 | 31 |
| 20 years to 30 years | 100 | 21 |
| 30 years top 40 years | 100 | 16 |
| 40 years to 50 years | 100 | 10 |
| 50 years and above | 100 | 8 |