

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	2015/16
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	Estimate	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
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- 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