

APPENDIX B

SHROPSHIRE COUNCIL PRUDENTIAL INDICATORS 2018/19

- 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 2018/19 due to net revenue stream being higher than estimated.

Prudential Indicator	2018/19 Revised Estimate	2018/19 Actual
	%	%
Non HRA Ratio of financing costs to net revenue stream	8.8	8.3

Prudential Indicator	2018/19 Revised Estimate	2018/19 Actual
	%	%
Non HRA Ratio of financing costs (net of investment income) to net revenue stream	8.2	7.6
HRA Ratio of financing costs to HRA net revenue stream	38.8	37.6

- C3. 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 2018/19.

Prudential Indicator	2018/19 Estimate	2018/19 Actual
External Debt	£m	£ m
Authorised Limit:		
Borrowing	457	312
Other long-term liabilities	103	103
Total	560	415

Prudential Indicator	2018/19 Estimate	2018/19 Actual
External Debt	£ m	£ m
Operational Boundary:		
Borrowing	407	312
Other long-term liabilities	103	103
Total	510	415

- C4. Gross borrowing was as anticipated due to no general fund borrowing being undertaken in 2018/19. 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	2018/19 Estimate	2018/19 Actual
Net Borrowing & Capital Financing Requirement:	£ m	£ m
Gross Borrowing (inc. HRA)	312	312
Investments	100	127
Net Borrowing	212	185
Non HRA Capital Financing Requirement	307	268
HRA Capital Financing Requirement	85	85
Total CFR	392	353

- C5. Non HRA and HRA capital expenditure were both lower than anticipated during the year. Explanations for these underspends were included in the 2018/19 final capital outturn report.

Prudential Indicator	2018/19 Revised Estimate	2018/19 Actual
	£ m	£ m
Non HRA Capital expenditure	51.9	49.5
HRA Capital expenditure	8.0	5.5

- C6. The level of fixed rate and variable rate borrowing were within the approved limits for the year.

Prudential Indicator	2018/19 Estimate	2018/19 Actual
Upper Limit for Fixed/Variable Rate Borrowing	£ m	£ m
Fixed Rate (GF)	457	312
Fixed Rate (HRA)	96	85
Variable Rate	229	0

- C7. The level of fixed rate and variable rate investments were within the approved limits during 2018/19.

Prudential Indicator	2018/19 Estimate	2018/19 Actual
Upper Limit For Fixed/Variable Rate Investments	£ m	£ m
Fixed Rate	220	83
Variable Rate	220	44

- C8. Longer term investments were held at the year-end due to the investment in Shrewsbury Shopping Centres.

Prudential Indicator	2018/19 Estimate	2018/19 Actual
Upper Limit for Sums Invested over 364 days	£m	£m
Internal Team	50	0
External Manager	30	0
Shrewsbury Shopping Centres	60	41

- C9. The maturity profile was within the limits set in the Treasury Strategy.

Prudential Indicator	2018/19 Upper Limit	2018/19 Actual
Maturity Structure of External Borrowing	%	%
Under 12 months	15	1
12 months to 2 years	15	1
2 years to 5 years	45	6
5 years to 10 years	75	1
10 years to 20 years	100	36
20 years to 30 years	100	27
30 years top 40 years	100	12
40 years to 50 years	100	7
50 years and above	100	9