

## APPENDIX B

### SHROPSHIRE COUNCIL PRUDENTIAL INDICATORS 2019/20

- 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 2019/20 due to net revenue stream being higher than estimated.

Prudential Indicator	2019/20 Revised Estimate	2019/20 Actual
	%	%
<b>Non HRA Ratio of financing costs to net revenue stream</b>	9.3	6.9

Prudential Indicator	2019/20 Revised Estimate	2019/20 Actual
	%	%
<b>Non HRA Ratio of financing costs (net of investment income) to net revenue stream</b>	8.6	6.2
<b>HRA Ratio of financing costs to HRA net revenue stream</b>	38.8	36.8

- 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 2019/20.

Prudential Indicator	2019/20 Estimate	2019/20 Actual
<b>External Debt</b>	<b>£m</b>	<b>£ m</b>
<b>Authorised Limit:</b>		
Borrowing	446	308
Other long-term liabilities	101	102
<b>Total</b>	<b>547</b>	<b>409</b>

Prudential Indicator	2019/20 Estimate	2019/20 Actual
<b>External Debt</b>	<b>£ m</b>	<b>£ m</b>
<b>Operational Boundary:</b>		
Borrowing	404	308
Other long-term liabilities	101	102
<b>Total</b>	<b>505</b>	<b>410</b>

- C4. Gross borrowing was as anticipated due to no general fund borrowing being undertaken in 2019/20. 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	2019/20 Estimate	2019/20 Actual
<b>Net Borrowing &amp; Capital Financing Requirement:</b>	<b>£ m</b>	<b>£ m</b>
Gross Borrowing (inc. HRA)	312	308
Investments	100	157
<b>Net Borrowing</b>	<b>212</b>	<b>151</b>
Non HRA Capital Financing Requirement	289	275
HRA Capital Financing Requirement	85	85
<b>Total CFR</b>	<b>374</b>	<b>360</b>

- C5. Non HRA was higher and HRA capital expenditure was lower than anticipated during the year. Explanations for these under/overspends were included in the 2019/20 final capital outturn report.

Prudential Indicator	2019/20 Revised Estimate	2019/20 Actual
	<b>£ m</b>	<b>£ m</b>
<b>Non HRA Capital expenditure</b>	56.7	61.4
<b>HRA Capital expenditure</b>	7.6	6.0

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

Prudential Indicator	2019/20 Estimate	2019/20 Actual
<b>Upper Limit for Fixed/Variable Rate Borrowing</b>	<b>£ m</b>	<b>£ m</b>
Fixed Rate (GF)	350	308
Fixed Rate (HRA)	96	85
Variable Rate	223	0

- C7. The level of fixed rate and variable rate investments were within the approved limits during 2019/20.

Prudential Indicator	2019/20 Estimate	2019/20 Actual
<b>Upper Limit For Fixed/Variable Rate</b>	<b>£ m</b>	<b>£ m</b>

<b>Investments</b>		
Fixed Rate	220	104
Variable Rate	220	53

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

<b>Prudential Indicator</b>	<b>2019/20 Estimate</b>	<b>2019/20 Actual</b>
<b>Upper Limit for Sums Invested over 364 days</b>	<b>£m</b>	<b>£m</b>
Internal Team	50	0
External Manager	30	0
Shrewsbury Shopping Centres	60	20

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

<b>Prudential Indicator</b>	<b>2019/20 Upper Limit</b>	<b>2019/20 Actual</b>
<b>Maturity Structure of External Borrowing</b>	<b>%</b>	<b>%</b>
Under 12 months	15	1
12 months to 2 years	15	4
2 years to 5 years	45	2
5 years to 10 years	75	3
10 years to 20 years	100	37
20 years to 30 years	100	24
30 years to 40 years	100	13
40 years to 50 years	100	7
50 years and above	100	9