

APPENDIX B

SHROPSHIRE COUNCIL PRUDENTIAL INDICATORS 2020/21

- 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 2020/21 due to net revenue stream being higher than estimated.

Prudential Indicator	2020/21 Revised Estimate	2020/21 Actual
	%	%
Non HRA Ratio of financing costs to net revenue stream	9.1	6.9

Prudential Indicator	2020/21 Revised Estimate	2020/21 Actual
	%	%
Non HRA Ratio of financing costs (net of investment income) to net revenue stream	8.4	6.5
HRA Ratio of financing costs to HRA net revenue stream	38.0	38.0

- 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 2020/21.

Prudential Indicator	2020/21 Estimate	2020/21 Actual
External Debt	£m	£ m
Authorised Limit:		
Borrowing	568	304
Other long-term liabilities	97	99
Total	665	403

Prudential Indicator	2020/21 Estimate	2020/21 Actual
External Debt	£ m	£ m
Operational Boundary:		
Borrowing	475	304
Other long-term liabilities	97	99
Total	572	403

- C4. Gross borrowing was as anticipated due to no general fund borrowing being undertaken in 2020/21. 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	2020/21 Estimate	2020/21 Actual
Net Borrowing & Capital Financing Requirement:	£ m	£ m
Gross Borrowing (inc. HRA)	304	304
Investments	110	148
Net Borrowing	194	156
Non HRA Capital Financing Requirement	390	273
HRA Capital Financing Requirement	95	85
Total CFR	485	358

- 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 2020/21 final capital outturn report.

Prudential Indicator	2020/21 Revised Estimate	2020/21 Actual
	£ m	£ m
Non HRA Capital expenditure	64.4	66.4
HRA Capital expenditure	22.3	4.5

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

Prudential Indicator	2020/21 Estimate	2020/21 Actual
Upper Limit for Fixed/Variable Rate Borrowing	£ m	£ m
Fixed Rate (GF)	531	304
Variable Rate	266	0

C7. The level of fixed rate and variable rate investments were within the approved limits during 2020/21.

Prudential Indicator	2020/21 Estimate	2020/21 Actual
Upper Limit For Fixed/Variable Rate Investments	£ m	£ m
Fixed Rate	220	115
Variable Rate	220	33

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

Prudential Indicator	2020/21 Estimate	2020/21 Actual
Upper Limit for Sums Invested over 364 days	£m	£m
Internal Team	50	0
External Manager	30	0
Shrewsbury Shopping Centres	90	0

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

Prudential Indicator	2020/21 Upper Limit	2020/21 Actual
Maturity Structure of External Borrowing	%	%
Under 12 months	15	4
12 months to 2 years	15	0
2 years to 5 years	45	2
5 years to 10 years	75	9
10 years to 20 years	100	34
20 years to 30 years	100	22
30 years top 40 years	100	18
40 years to 50 years	100	2
50 years and above	100	9