

APPENDIX B

SHROPSHIRE COUNCIL PRUDENTIAL INDICATORS 2021/22

- 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 2021/22 due to net revenue stream being higher than estimated.

Prudential Indicator	2021/22 Revised Estimate	2021/22 Actual
	%	%
Non HRA Ratio of financing costs to net revenue stream	7.6	7.1

Prudential Indicator	2021/22 Revised Estimate	2021/22 Actual
	%	%
Non HRA Ratio of financing costs (net of investment income) to net revenue stream	7.2	6.8
HRA Ratio of financing costs to HRA net revenue stream	39.9	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 2021/22.

Prudential Indicator	2021/22 Estimate	2021/22 Actual
External Debt	£m	£ m
Authorised Limit:		
Borrowing	661	292
Other long-term liabilities	96	94
Total	757	386

Prudential Indicator	2021/22 Estimate	2021/22 Actual
External Debt	£ m	£ m
Operational Boundary:		

Borrowing	546	292
Other long-term liabilities	96	94
Total	642	386

- C4. Gross borrowing was as anticipated due to no general fund borrowing being undertaken in 2021/22. 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	2021/22 Estimate	2021/22 Actual
Net Borrowing & Capital Financing Requirement:	£ m	£ m
Gross Borrowing (inc. HRA)	366	292
Investments	150	164
Net Borrowing	216	128
Non HRA Capital Financing Requirement	419	278
HRA Capital Financing Requirement	95	87
Total CFR	514	365

- 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 2021/22 final capital outturn report.

Prudential Indicator	2021/22 Revised Estimate	2021/22 Actual
	£ m	£ m
Non HRA Capital expenditure	114.2	80.3
HRA Capital expenditure	20.1	8.1

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

Prudential Indicator	2021/22 Estimate	2021/22 Actual
Upper Limit for Fixed/Variable Rate Borrowing	£ m	£ m
Fixed Rate (GF)	615	292
Variable Rate	308	0

- C7. The level of fixed rate and variable rate investments were within the approved limits during 2021/22.

Prudential Indicator	2021/22 Estimate	2021/22 Actual
Upper Limit For Fixed/Variable Rate Investments	£ m	£ m
Fixed Rate	250	124
Variable Rate	250	40

- C8. No longer term investments were held at the year-end. Shrewsbury Shopping Centres are no longer held as long-term investments. They are now accounted for on the balance sheet as Property, Plant & Equipment (PP&E).

Prudential Indicator	2021/22 Estimate	2021/22 Actual
Upper Limit for Sums Invested over 364 days	£m	£m
Internal Team	70	0
External Manager	30	0
Shrewsbury Shopping Centres	60	0

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

Prudential Indicator	2021/22 Upper Limit	2021/22 Actual
Maturity Structure of External Borrowing	%	%
Under 12 months	15	0
12 months to 2 years	15	2
2 years to 5 years	45	1
5 years to 10 years	75	13
10 years to 20 years	100	34
20 years to 30 years	100	21
30 years top 40 years	100	18

40 years to 50 years	100	2
50 years and above	100	9