

**PERTH AND KINROSS COUNCIL**  
**PRUDENTIAL INDICATORS - QUARTER ENDING 30 SEPTEMBER 2020**

Appendix IV

**1 Financing Costs: Net Revenue Stream**

The ratio of Capital Financing Costs (Loan Charges) to the Council's net revenue stream shall not exceed the following limits, which are based on historic levels, and allow some headroom for movement in interest rates. The estimated Financing Costs below are based on the latest monitoring figures.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Prudential Limit - General Fund Estimated Ratio of Financing Costs to Revenue	15.00% 7.79%	15.00% 7.85%	15.00% 8.15%	15.00% 8.68%	15.00% 8.84%	15.00% 8.87%	15.00% 8.86%	15.00% 8.60%	15.00% 8.48%
Prudential Limit - HRA Estimated Ratio of Financing Costs to Revenue	30.00% 22.76%	30.00% 22.28%	30.00% 21.82%	30.00% 21.73%	30.00% 21.60%	30.00% 21.96%	30.00% 21.81%	30.00% 22.47%	30.00% 24.19%

**2 Gross & Net Borrowing and Capital Financing Requirements**

For prudence, net external borrowing must not exceed the total capital financing requirement, thus ensuring that over the medium term, borrowing is only undertaken for capital purposes. The estimated total net borrowing and Capital Financing Requirement at the end of each of the years are as follows:

	Actual as at 30-Sep-20	Projected 31-Mar-21	Projected 31-Mar-22	Projected 31-Mar-23	Projected 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28	Projected 31-Mar-29
Net External Borrowing*	451,540,000	460,790,000	491,582,000	702,743,000	781,864,000	814,020,000	824,177,000	834,333,000	839,489,000	847,145,000
Gross External Borrowing*	688,560,000	670,790,000	651,582,000	782,743,000	831,864,000	864,020,000	874,177,000	884,333,000	889,489,000	897,145,000
Capital Financing Requirement	620,943,000	618,174,000	676,151,000	805,048,000	853,999,000	885,083,000	896,485,000	905,389,000	913,310,000	922,487,000

\*For the purpose of this indicator, Borrowing includes the outstanding liability under PPP/PFI contracts.

**3 Estimates of Capital Expenditure**

The total estimated Capital Expenditure contained within the Council's Budgets for each year is as follows, based on updated monitoring figures.

Composite Programme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current estimate	82,551,000	131,717,000	166,736,000	75,784,000	44,342,000	31,766,000	28,834,000	26,728,000	27,924,000
Original Budget Estimate (including Budget Motion)	100,301,000	156,892,000	150,235,000	52,881,000	32,058,000	31,873,000	28,834,000	26,728,000	27,945,000
Movement in Estimated Capital Expenditure	(17,750,000)	(25,175,000)	16,501,000	22,903,000	12,284,000	(107,000)	0	0	(21,000)

The Original Budget Estimates are those per the 2020/21 to 2028/29 Composite Capital Budget  
The latest estimates for Capital Expenditure are based on 2020/21 SP&R Monitoring Report No.2

HRA Programme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current estimate	14,641,000	10,056,000	7,995,000	11,275,000	24,675,000	15,000,000	15,000,000	15,000,000	15,000,000
Original Budget Estimate	16,520,000	7,553,000	8,417,000	11,690,000	23,438,000	15,000,000	15,000,000	15,000,000	15,000,000
Movement in Estimated Capital Expenditure	(1,879,000)	2,503,000	(422,000)	(415,000)	1,237,000	0	0	0	0

The Original Budget Estimates are those per the 2020/21 Housing & Communities Budget  
The latest estimates for Capital Expenditure are based on 2020/21 SP&R Monitoring Report No.2

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The Operational Boundary and Authorised Limit are based on Gross External Debt.

**6 Principal Sums Invested Longer Than 365 Days**

The Upper Limit for sums invested for over 1 year up to 3 years is £45 million. There was £15M invested within this period as at the end of the quarter.

**7 MATURITY STRUCTURE**

The lower and upper limit for the proportion of the Council's total-long term debt which matures in each of the time bandings below, and is therefore subject to refinancing at the prevailing market rates, is as follows:

Fixed Rate Borrowing Maturity Structure	Lower Limit	Upper Limit	Estimated
Under 12 months	0%	35%	1.2%
over 12 months and < 24 months	0%	35%	2.7%
over 2 years and < 5 years	0%	50%	6.2%
over 5 years and < 10 years	0%	75%	9.3%
over 10 years	10%	95%	80.7%

The maturity profile for the Council's current long-term portfolio as at 30 September 2020, measured from the start of the financial year, is as follows:

	Less 1 Year	1 - 2 Years	2 - 5 Years	5 - 10 Years	10 - 20 Years	20 - 30 Years	30 - 40 Years	40 - 50 Years	Over 50 Years	Total
PWLB	5,000,000	12,500,000	26,000,000	37,500,000	5,000,000	0	24,500,000	385,000,000	0	495,500,000
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0	43,200,000
PPP Liability	2,769,375	5,538,750	15,921,300	24,781,000	63,512,400	21,911,800	0	0	0	134,434,625
Other	0	0	140,000	0	0	0	0	0	0	140,000
Total	7,769,375	18,038,750	42,061,300	62,281,000	68,512,400	34,911,800	49,700,000	390,000,000	0	673,274,625
Percentage	1.15%	2.68%	6.25%	9.25%	10.18%	5.19%	7.38%	57.93%	0.00%	100.00%