

**PERTH AND KINROSS COUNCIL**  
**PRUDENTIAL INDICATORS - QUARTER ENDING 31 MARCH 2022**

**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.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Prudential Limit - General Fund	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Estimated Ratio of Financing Costs to Revenue	6.86%	7.78%	8.72%	9.46%	9.56%	9.21%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	22.79%	23.88%	23.62%	23.23%	22.98%	22.61%

**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 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
Net External Borrowing*	491,652,000	559,341,000	802,938,000	968,676,000	1,027,713,000	1,073,296,000	1,103,879,000
Gross External Borrowing*	743,687,000	729,341,000	892,938,000	1,018,676,000	1,077,713,000	1,123,296,000	1,153,879,000
Capital Financing Requirement	618,465,000	749,841,000	912,304,000	1,039,411,000	1,100,396,000	1,143,879,000	1,176,156,000

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

**3 Estimates of Gross 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	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	164,452,000	189,177,000	139,954,000	63,769,000	54,830,000	45,858,000
Original Budget Estimate (including Budget Motion)	178,562,000	175,493,000	128,749,000	63,376,000	54,519,000	45,737,000
Movement in Estimated Capital Expenditure	(14,110,000)	13,684,000	11,205,000	393,000	311,000	121,000

The Original Budget Estimates are those per the 2022/23 to 2027/28 Composite Capital Budget Report on 23 February 2022

The latest estimates for Capital Expenditure are based on the SP&R Capital Monitoring Report No. on 20 April 2022.

HRA Programme	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	17,963,000	15,983,000	13,871,000	19,995,000	16,044,000	16,500,000
Original Budget Estimate	17,299,000	15,983,000	13,886,000	20,085,000	16,044,000	16,500,000
Movement in Estimated Capital Expenditure	664,000	0	(15,000)	(90,000)	0	0

The Original Budget Estimates are those per the 2020/21 Housing & Communities Budget Report on 24 January 2022.

The latest estimates for Capital Expenditure are based on the SP&R Capital Monitoring Report No. on 20 April 2022.

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**4 Estimate of Capital Financing Requirement**

The estimate (as at May 2022) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

Composite Programme	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	125,644,000	155,102,000	117,980,000	41,974,000	35,115,000	26,188,000
Original Budget Estimate (including Budget Motion)	140,264,000	137,906,000	106,775,000	41,581,000	34,804,000	26,067,000
Movement in Estimated Capital Financing Requirement	(14,620,000)	17,196,000	11,205,000	393,000	311,000	121,000

The Original Budget Estimates are those per the 2022/23 to 2027/28 Composite Capital Budget Report on 23 February 2022

The latest estimates for Capital Expenditure are based on the SP&R Capital Monitoring Report No. on 20 April 2022.

HRA Programme	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	15,349,000	13,338,000	10,542,000	16,035,000	11,765,000	12,000,000
Original Budget Estimate	14,685,000	13,338,000	10,557,000	16,125,000	11,765,000	12,000,000
Movement in Estimated Capital Financing Requirement	664,000	0	(15,000)	(90,000)	0	0

The Original Budget Estimates are those per the 2020/21 Housing & Communities Budget Report on 24 January 2022.

The latest estimates for Capital Expenditure are based on the SP&R Capital Monitoring Report No. on 20 April 2022.

**5 External Debt (Gross and Net)**

External Borrowing	As at 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
Public Works Loan Board	568,000,000	560,000,000	730,000,000	862,000,000	927,000,000	977,000,000	1,012,000,000
Market Bonds (LOBOs)	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Project Borrowing	140,000	140,000	0	0	0	0	0
Special Loans	2,169,254	2,169,254	2,169,254	2,169,254	2,169,254	2,169,254	2,169,254
Temporary Loans/Other Borrowing	2,983,512	2,600,000	2,300,000	2,000,000	2,000,000	2,000,000	2,000,000
Other Long Term Liabilities (PPP/PFI)	127,194,346	121,231,770	115,269,194	109,306,618	103,344,043	98,926,869	94,509,695
<b>Total Gross External Debt</b>	<b>743,687,112</b>	<b>729,341,024</b>	<b>892,938,448</b>	<b>1,018,675,872</b>	<b>1,077,713,297</b>	<b>1,123,296,123</b>	<b>1,153,878,949</b>
Short Term Investments	(252,035,371)	(170,000,000)	(90,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)
Long Term Investments	0	0	0	0	0	0	0
<b>Total Net External Debt</b>	<b>491,651,741</b>	<b>559,341,024</b>	<b>802,938,448</b>	<b>968,675,872</b>	<b>1,027,713,297</b>	<b>1,073,296,123</b>	<b>1,103,878,949</b>
<b>Note:</b>							
Operational Boundary	744,000,000	729,000,000	893,000,000	1,019,000,000	1,078,000,000	1,123,000,000	1,154,000,000
Authorised Limit	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000

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

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**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 were no amounts 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%	1.08%
over 12 months and < 24 months	0%	35%	1.48%
over 2 years and < 5 years	0%	50%	6.15%
over 5 years and < 10 years	0%	75%	6.96%
over 10 years	10%	95%	84.32%

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The maturity profile for the Council's current long-term portfolio as at 31 March 2022, 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	8,000,000	5,000,000	23,000,000	27,500,000	5,000,000	0	40,500,000	459,000,000	0	568,000,000
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0	43,200,000
Other	0	0	140,000	0	0	0	0	0	0	140,000
PPP/PFI Liability	0	5,962,576	22,304,901	23,875,338	70,009,414	5,042,117	0	0	0	127,194,346
Total	8,000,000	10,962,576	45,444,901	51,375,338	75,009,414	18,042,117	65,700,000	464,000,000	0	738,534,346
Percentage	1.08%	1.48%	6.15%	6.96%	10.16%	2.44%	8.90%	62.83%	0.00%	100.00%

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