

**ANALYSIS OF PRUDENTIAL INDICATORS**  
**- Quarter Ending 31 March 2018**

**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

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Prudential Limit - General Fund	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Estimated Ratio of Financing Costs to Revenue	9.37%	9.87%	10.39%	10.84%	11.50%	11.87%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	23.37%	25.47%	24.82%	23.54%	23.53%	23.56%

**2 Incremental Council Tax/Housing Rent from proposed capital and revenue plans**

Estimated incremental Council Tax and Housing Rent resulting from the totality of the Council's capital and revenue plans are as follows:

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£	£
Council Tax (Band D equivalent annual increase)	0.00	0.00	0.00	0.00	0.00	0.00
Housing Rent (average weekly increase)	0.00	0.66	0.67	0.69	0.70	0.72

**Note:** There are no significant variations beyond the 6 year period to be taken into account.

**3 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-18	Projected 31-Mar-18	Projected 31-Mar-19	Projected 31-Mar-20	Projected 31-Mar-21	Projected 31-Mar-22	Projected 31-Mar-23
Net External Borrowing*	434,573,000	434,573,000	462,295,000	482,989,000	528,322,000	580,383,000	618,553,000
Gross External Borrowing*	472,159,000	472,159,000	487,295,000	502,989,000	548,322,000	600,383,000	638,553,000
Capital Financing Requirement	514,797,000	514,797,000	551,409,000	574,875,000	622,609,000	680,363,000	728,633,000

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

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**4 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	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Current estimate	92,144,000	73,100,000	62,725,000	98,746,000	105,804,000	69,291,000
Original Budget Estimate	90,903,000	80,537,000	100,139,000	97,837,000	90,102,000	43,771,000
Movement in Estimated Capital Expenditure	1,241,000	(7,437,000)	(37,414,000)	909,000	15,702,000	25,520,000

The Original Budget Estimates are those per the 2016/17 Strategic Policy & Resources Capital Monitoring Report No.4 on 19th April 2017.

The latest estimates for Capital Expenditure are based on 2017/18 SP&R Monitoring Report No.4 on 18th April 2018.

PPP Programme	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Original Budget and Current Estimate	0	0	0	0	0	0

HRA Programme	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Current estimate	24,006,000	13,930,000	8,320,000	9,632,000	9,389,000	28,677,000
Original Budget Estimate	20,309,000	11,732,000	10,523,000	10,530,000	25,478,000	11,500,000
Movement in Estimated Capital Expenditure	3,697,000	2,198,000	(2,203,000)	(898,000)	(16,089,000)	17,177,000

The Original Budget Estimates are those per the 2016/17 Strategic Policy & Resources Capital Monitoring Report No.4 on 19th April 2017.

The latest estimates for Capital Expenditure are based on 2017/18 SP&R Monitoring Report No.4 on 18th April 2018.

**5 Estimate of Capital Financing Requirement**

The estimate (as at March 2018) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

Composite Programme	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Current Estimated Capital Financing Requirement	58,256,000	46,919,000	40,889,000	65,313,000	77,105,000	49,936,000
Original Budget Estimate	60,011,000	56,909,000	78,011,000	66,008,000	62,482,000	25,845,000
Movement in Estimated Capital Financing Requirement	(1,755,000)	(9,990,000)	(37,122,000)	(695,000)	14,623,000	24,091,000

The Original Budget Estimates are those per the 2016/17 Strategic Policy & Resources Capital Monitoring Report No.4 on 19th April 2017.

The latest estimates for Capital Expenditure are based on 2017/18 SP&R Monitoring Report No.4 on 18th April 2018.

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PPP Programme	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Original Budget and Current Estimate	0	0	0	0	0	0

HRA Programme	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Current Estimated Capital Financing Requirement	20,437,000	10,846,000	4,828,000	5,298,000	4,712,000	23,485,000
Original Budget Estimate	17,452,000	8,905,000	7,373,000	6,906,000	21,495,000	7,500,000
Movement in Estimated Capital Financing Requirement	2,985,000	1,941,000	(2,545,000)	(1,608,000)	(16,783,000)	15,985,000

The Original Budget Estimates are those per the 2016/17 Strategic Policy & Resources Capital Monitoring Report No.4 on 19th April 2017.  
The latest estimates for Capital Expenditure are based on 2017/18 SP&R Monitoring Report No.4 on 18th April 2018.

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

External Borrowing	As at 31-Mar-18	Projected 31-Mar-18	Projected 31-Mar-19	Projected 31-Mar-20	Projected 31-Mar-21	Projected 31-Mar-22	Projected 31-Mar-23
Public Works Loan Board	310,000,000	310,000,000	330,000,000	350,600,000	400,600,000	457,600,000	500,350,000
Market Bonds	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Special Loans	2,235,841	2,235,841	2,200,000	2,000,000	1,800,000	1,600,000	1,500,000
Project Borrowing	492,224	492,224	435,334	168,444	140,000	140,000	140,000
Temporary Loans/Other Borrowing	2,533,064	2,533,064	2,000,000	1,800,000	1,600,000	1,100,000	1,100,000
Other Long Term Liabilities	113,698,000	113,698,000	109,459,250	105,220,500	100,981,750	96,743,000	92,262,600
<b>Total Gross External Debt</b>	<b>472,159,128</b>	<b>472,159,128</b>	<b>487,294,583</b>	<b>502,988,943</b>	<b>548,321,749</b>	<b>600,382,999</b>	<b>638,552,599</b>
Short Term Investments	(37,585,692)	(37,585,692)	(25,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
Long Term Investments	0	0	0	0	0	0	0
<b>Total Net External Debt</b>	<b>434,573,436</b>	<b>434,573,436</b>	<b>462,294,583</b>	<b>482,988,943</b>	<b>528,321,749</b>	<b>580,382,999</b>	<b>618,552,599</b>
<b>Note:</b>							
Operational Boundary	472,000,000	472,000,000	487,000,000	503,000,000	548,000,000	600,000,000	639,000,000
Authorised Limit	640,000,000	640,000,000	640,000,000	640,000,000	640,000,000	640,000,000	640,000,000

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

**7 Adoption of the CIPFA code of practice for Treasury Management**

Perth & Kinross Council fully complies with the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services (as amended in 2013).

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**8 Interest Rate Exposures**

	Actual as at 31-Mar-18	Projected 31-Mar-18	Projected 31-Mar-19	Projected 31-Mar-20	Projected 31-Mar-21	Projected 31-Mar-22	Projected 31-Mar-23
Fixed Interest Rate Debt							
Total Fixed Rate Borrowing	424,190,224	424,190,224	439,894,584	455,988,944	501,721,750	554,483,000	592,752,600
Total Fixed Rate Investments	0	0	0	0	0	0	0
	424,190,224	424,190,224	439,894,584	455,988,944	501,721,750	554,483,000	592,752,600
Total Gross Borrowing	472,159,128	472,159,128	487,294,583	502,988,943	548,321,749	600,382,999	638,552,599
	89.8%	89.8%	90.3%	90.7%	91.5%	92.4%	92.8%
Upper limit on Fixed Interest Rate Debt	100%	100%	100%	100%	100%	100%	100%

	Actual as at 31-Mar-18	Projected 31-Mar-18	Projected 31-Mar-19	Projected 31-Mar-20	Projected 31-Mar-21	Projected 31-Mar-22	Projected 31-Mar-23
Variable Interest Rate Debt							
Total Variable Rate Borrowing	47,968,905	47,968,905	47,400,000	47,000,000	46,600,000	45,900,000	45,800,000
Total Variable Rate Investments	(37,585,692)	(37,585,692)	(25,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
	10,383,213	10,383,213	22,400,000	27,000,000	26,600,000	25,900,000	25,800,000
Total Net Borrowing (including investments arising from short term cash balances)	434,573,436	434,573,436	462,294,583	482,988,943	528,321,749	580,382,999	618,552,599
	2.4%	2.4%	4.8%	5.6%	5.0%	4.5%	4.2%
Upper limit on Variable Interest Rate Debt	35%	35%	35%	35%	35%	35%	35%

**9 Maturity Structure**

The maturity structure for the Council's fixed rate debt, as at 31st March 2018, measured from the start of the financial year is as follows:

	< 12 mths	12<24 mths	2<5 years	5<10 years	Over 10 years	Total
Total Debt Maturing (£)	1,044,250	14,340,640	45,011,584	58,542,000	305,251,750	424,190,224
% of Total Fixed Debt	0.2%	3.4%	10.6%	13.8%	72.0%	100.0%
Lower Limit	0%	0%	0%	0%	10%	
Upper Limit	35%	35%	50%	75%	95%	

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

The Upper Limit for sums invested for over 1 year up to 3 years is £10million. There were no sums invested which were outstanding for such periods as at the end of the quarter.