

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS 2019/20 TO 2028/29

APPENDIX V

1 ESTIMATES OF CAPITAL EXPENDITURE

The total estimated Gross Capital Expenditure contained within the Council's Budgets for each year is as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£	£	£	£	£	£	£
Composite Programme	65,656,000	76,071,000	122,924,000	133,633,000	114,218,000	49,193,000	29,760,000	29,402,000	29,039,000	27,194,000	28,333,000
PPP Expenditure Programme	23,185,000	12,183,000	0	0	0	0	0	0	0	0	0
HRA	19,096,000	12,555,000	9,552,000	7,148,000	10,321,000	28,256,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Estimated Capital Expenditure	107,937,000	100,809,000	132,476,000	140,781,000	124,539,000	77,449,000	44,760,000	44,402,000	44,039,000	42,194,000	43,333,000

2 ESTIMATE OF NEW CAPITAL FINANCING REQUIREMENT OF EACH YEAR

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

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£	£	£	£	£	£	£
Composite Programme	37,566,000	31,684,000	71,410,000	82,327,000	94,343,000	30,048,000	10,910,000	10,552,000	10,189,000	8,344,000	9,483,000
PPP Programme	23,185,000	12,183,000	0	0	0	0	0	0	0	0	0
HRA	13,899,000	10,023,000	6,545,000	3,918,000	6,854,000	24,739,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000
Estimated Capital Financing Requirement for year	74,650,000	53,890,000	77,955,000	86,245,000	101,197,000	54,787,000	22,410,000	22,052,000	21,689,000	19,844,000	20,983,000

The total Capital Financing Requirement (ie including all prior years outstanding capital expenditure to be financed by borrowing) is shown below under indicator No.4

3 EXTERNAL DEBT (GROSS)

The estimated maximum total external debt (gross of investments and including amounts outstanding under PPP arrangements) based on the Council's plans for each of the years is as follows:

Operational Boundary	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£	£	£	£	£	£	£
Gross External Borrowing	378,259,000	405,769,000	482,940,000	571,240,000	675,040,000	721,800,000	725,700,000	739,700,000	758,700,000	777,700,000	798,700,000
Other Long Term Liabilities	132,411,000	139,686,000	134,189,000	128,666,000	123,151,000	117,810,000	112,321,000	106,904,000	101,536,000	96,223,000	91,083,000
TOTAL OPERATIONAL BOUNDARY	510,670,000	545,455,000	617,129,000	699,906,000	798,191,000	839,610,000	838,021,000	846,604,000	860,236,000	873,923,000	889,783,000
TOTAL AUTHORISED LIMIT	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000

The Operational Boundary estimates the most likely level of borrowing based on the Council's plans. It is therefore likely that throughout the year the actual level of borrowing may be above or below the Operational Boundary due to uneven cashflows. The Authorised Limit for total external debt (gross of investments) allows some headroom over the Operational Boundary above, in the event of exceptional cashflows, eg when debt restructuring, or in the event of unforeseen circumstances. The Authorised Limit is based on the highest level of estimated borrowing over the budget period.

APPENDIX V

Gross external borrowing must not exceed the total Capital Financing Requirement, to ensure that over the medium term, borrowing is only undertaken for capital purposes. The estimated total borrowing and Capital Financing Requirement at the end of each of the years is shown below. Borrowing figures include the amount outstanding under PPP arrangements.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£	£	£	£	£	£	£
Net External Debt	485,670,000	530,455,000	607,129,000	689,906,000	788,191,000	829,610,000	828,021,000	836,604,000	850,236,000	863,923,000	879,783,000
Gross External Debt	510,670,000	545,455,000	617,129,000	699,906,000	798,191,000	839,610,000	838,021,000	846,604,000	860,236,000	873,923,000	889,783,000
Capital Financing Requirement	572,515,000	611,982,000	675,926,000	749,057,000	837,640,000	879,762,000	888,693,000	897,626,000	906,977,000	915,738,000	926,354,000

The ratio of Capital Financing Costs, including PPP Unitary Charges, to the Council's Net Revenue Budget shall not exceed the following limits, which are based on historical levels, and allow some headroom for movement in interest rates etc.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Prudential Limit - General Fund	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Estimated Ratio of Financing Costs:Revenue	8.47%	7.42%	7.74%	8.19%	8.98%	8.90%	9.09%	8.90%	8.74%	8.49%	8.05%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs:Revenue	24.54%	25.48%	24.16%	22.38%	21.36%	23.28%	25.40%	27.26%	27.58%	27.53%	28.01%

The lower and upper limit for the proportion of the Council's total fixed rate 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%	3.7%
over 12 months and < 24 months	0%	35%	2.8%
over 2 years and < 5 years	0%	50%	9.1%
over 5 years and < 10 years	0%	75%	11.2%
over 10 years	10%	95%	73.2%

The upper limit for the Council's investments invested for a period longer than 1 year is as follows:

[illegible]