

**ANALYSIS OF PRUDENTIAL INDICATORS**  
**- Quarter Ending 30 September 2017**

**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	9.12%	9.49%	10.25%	10.77%	11.33%	12.16%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	23.12%	25.25%	24.97%	23.92%	24.45%	26.69%

**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 30-Sep-17	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*	397,158,000	407,538,000	437,293,000	454,837,000	483,126,000	515,213,000	542,350,000
Capital Financing Requirement	453,826,000	525,459,000	559,621,000	583,638,000	624,178,000	696,264,000	728,401,000
Gross External Borrowing*	441,934,000	441,538,000	466,293,000	478,837,000	507,126,000	539,213,000	566,350,000

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

**ANALYSIS OF PRUDENTIAL INDICATORS**  
**- Quarter Ending 30 September 2017**

**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	103,297,000	71,155,000	63,988,000	90,391,000	104,991,000	69,602,000
Original Budget Estimate	111,220,000	65,471,000	95,681,000	98,675,000	81,527,000	42,962,000
Movement in Estimated Capital Expenditure	(7,923,000)	5,684,000	(31,693,000)	(8,284,000)	23,464,000	26,640,000

The Original Budget Estimates are those per the Treasury & Prudential Indicators included within the Treasury Strategy report on 22nd February 2017.

The latest estimates for Capital Expenditure are based on SP&R Monitoring Report No.2 (pre agenda).

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	24,032,000	12,709,000	9,020,000	10,085,000	24,389,000	16,000,000
Original Budget Estimate	19,629,000	11,732,000	10,523,000	10,530,000	25,478,000	11,500,000
Movement in Estimated Capital Expenditure	4,403,000	977,000	(1,503,000)	(445,000)	(1,089,000)	4,500,000

The Original Budget Estimates are those per the Treasury & Prudential Indicators included within the Treasury Strategy report on 22nd February 2017.

The latest estimates for Capital Expenditure are based on SP&R Monitoring Report No.2 (pre agenda).

**5 Estimate of Capital Financing Requirement**

The estimate (as at November 2017) 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	68,511,000	45,950,000	41,860,000	58,529,000	77,371,000	51,676,000
Original Budget Estimate	77,163,000	43,443,000	74,396,000	66,756,000	53,828,000	25,090,000
Movement in Estimated Capital Financing Requirement	(8,652,000)	2,507,000	(32,536,000)	(8,227,000)	23,543,000	26,586,000

The Original Budget Estimates are those per the Treasury & Prudential Indicators included within the Treasury Strategy report on 22nd February 2017.

The latest estimates for Capital Expenditure are based on SP&R Monitoring Report No.2 (pre agenda).

**ANALYSIS OF PRUDENTIAL INDICATORS**  
**- Quarter Ending 30 September 2017**

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	20,523,000	9,882,000	5,870,000	6,461,000	20,406,000	12,000,000
Original Budget Estimate	16,772,000	8,905,000	7,373,000	6,906,000	21,495,000	7,500,000
Movement in Estimated Capital Financing Requirement	3,751,000	977,000	(1,503,000)	(445,000)	(1,089,000)	4,500,000

The Original Budget Estimates are those per the Treasury & Prudential Indicators included within the Treasury Strategy report on 22nd February 2017.  
The latest estimates for Capital Expenditure are based on SP&R Monitoring Report No.2 (pre agenda).

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

External Borrowing	As at 30-Sep-17	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	278,109,677	279,948,387	308,998,487	326,309,921	359,116,284	395,443,500	427,061,057
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	2,117,841	2,117,841	1,855,000	1,605,000	1,605,000	1,605,000
Project Borrowing	520,669	492,223	435,334	168,444	140,000	140,000	140,000
Temporary Loans/Other Borrowing	2,081,181	2,081,181	2,081,181	2,081,181	2,081,181	2,081,181	2,081,181
Other Long Term Liabilities	115,787,000	113,698,000	109,460,000	105,222,000	100,984,000	96,743,000	92,263,000
<b>Total Gross External Debt</b>	<b>441,934,367</b>	<b>441,537,632</b>	<b>466,292,843</b>	<b>478,836,546</b>	<b>507,126,465</b>	<b>539,212,681</b>	<b>566,350,238</b>
Short Term Investments	(44,776,422)	(34,000,000)	(29,000,000)	(24,000,000)	(24,000,000)	(24,000,000)	(24,000,000)
Long Term Investments	0	0	0	0	0	0	0
<b>Total Net External Debt</b>	<b>397,157,945</b>	<b>407,537,632</b>	<b>437,292,843</b>	<b>454,836,546</b>	<b>483,126,465</b>	<b>515,212,681</b>	<b>542,350,238</b>
<b>Note:</b>							
Operational Boundary	442,000,000	442,000,000	466,000,000	479,000,000	507,000,000	539,000,000	566,000,000
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 November 2009).

**ANALYSIS OF PRUDENTIAL INDICATORS**  
**- Quarter Ending 30 September 2017**

**8 Interest Rate Exposures**

	Actual as at 30-Sep-17	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	394,417,346	394,138,610	418,893,821	431,700,365	460,240,284	492,326,500	519,464,057
Total Fixed Rate Investments	0	0	0	0	0	0	0
	394,417,346	394,138,610	418,893,821	431,700,365	460,240,284	492,326,500	519,464,057
Total Gross Borrowing	441,934,367	441,537,632	466,292,843	478,836,546	507,126,465	539,212,681	566,350,238
	89.2%	89.3%	89.8%	90.2%	90.8%	91.3%	91.7%
Upper limit on Fixed Interest Rate Debt	100%	100%	100%	100%	100%	100%	100%

	Actual as at 30-Sep-17	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	47,517,022	47,399,022	47,399,022	47,136,181	46,886,181	46,886,181	46,886,181
Total Variable Rate Investments	(44,776,422)	(34,000,000)	(29,000,000)	(24,000,000)	(24,000,000)	(24,000,000)	(24,000,000)
	2,740,599	13,399,021	18,399,021	23,136,180	22,886,180	22,886,180	22,886,180
Total Net Borrowing (including investments arising from short term cash balances)	397,157,945	407,537,632	437,292,843	454,836,546	483,126,465	515,212,681	542,350,238
	0.7%	3.3%	4.2%	5.1%	4.7%	4.4%	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 30th September 2017, 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 (£)	2,017,090	14,501,430	45,580,245	55,691,452	276,627,130	394,417,346
% of Total Fixed Debt	0.5%	3.7%	11.6%	14.1%	70.1%	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.