

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS 2022/23 TO 2027/28

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	6.38%	7.09%	8.19%	9.09%	9.01%	9.03%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	23.09%	23.03%	24.12%	24.28%	23.38%	23.80%

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 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*	556,333,000	788,463,000	939,000,000	1,047,838,000	1,113,220,000	1,163,703,000
Gross External Borrowing*	729,983,000	813,463,000	959,000,000	1,057,838,000	1,123,220,000	1,173,703,000
Capital Financing Requirement	686,468,000	831,238,000	997,079,000	1,094,101,000	1,150,095,000	1,195,191,000

*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 based on the Council's recent approved Budgets for each year is as follows.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Gross Capital Expenditure						
Composite Programme	128,524,000	194,880,000	184,661,000	113,465,000	69,816,000	48,219,000
HRA Programme	16,990,000	18,457,000	13,858,000	18,669,000	19,044,000	19,044,000
Total Gross Capital Expenditure	145,514,000	213,337,000	198,519,000	132,134,000	88,860,000	67,263,000

4 Estimate of Capital Financing Requirement

The estimate (as at April 2023) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Capital Financing Requirement						
Composite Programme	83,526,000	146,850,000	164,688,000	95,082,000	49,184,000	24,991,000
HRA Programme	14,523,000	16,402,000	11,940,000	16,421,000	16,524,000	16,292,000
Movement in Estimated Capital Financing Requirement	98,049,000	163,252,000	176,628,000	111,503,000	65,708,000	41,283,000

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5 External Debt (Gross and Net)

External Borrowing	Actual 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	560,000,000	650,000,000	802,000,000	907,000,000	977,000,000	1,032,000,000
Market Bonds (LOBOs)	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Project Borrowing	140,000	0	0	0	0	0
Special Loans	2,293,507	2,293,507	2,293,507	2,293,507	2,293,507	2,293,507
Temporary Loans/Other Borrowing	3,117,401	2,700,000	2,200,000	2,000,000	1,800,000	1,700,000
Other Long Term Liabilities (PPP/PFI)	121,231,770	115,269,194	109,306,618	103,344,043	98,926,869	94,509,695
Total Gross External Debt	729,982,678	813,462,701	959,000,125	1,057,837,550	1,123,220,376	1,173,703,202
Short Term Investments	(173,650,000)	(25,000,000)	(20,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
Long Term Investments	0	0	0	0	0	0
Total Net External Debt	556,332,678	788,462,701	939,000,125	1,047,837,550	1,113,220,376	1,163,703,202
Note:						
Operational Boundary	730,000,000	813,000,000	959,000,000	1,058,000,000	1,123,000,000	1,174,000,000
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

* 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 no amounts invested within this period as at the start of the financial year.

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%	1.53%
over 12 months and < 24 months	0%	35%	2.62%
over 2 years and < 5 years	0%	50%	4.80%
over 5 years and < 10 years	0%	75%	5.96%
over 10 years	10%	95%	85.09%

The maturity profile for the Council's current long-term portfolio as at 1 April 2023, 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
PWLB	5,000,000	13,000,000	20,000,000	17,500,000	5,000,000	0	50,500,000	449,000,000	0
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0
Other	140,000	0	0	0	0	0	0	0	0
PPP/PFI Liability	5,962,576	5,962,576	14,796,923	25,664,807	65,483,599	3,361,289	0	0	0
Total	11,102,576	18,962,576	34,796,923	43,164,807	70,483,599	16,361,289	75,700,000	454,000,000	0
Percentage	1.53%	2.62%	4.80%	5.96%	9.73%	2.26%	10.45%	62.66%	0.00%