

**PERTH AND KINROSS COUNCIL**  
**PRUDENTIAL INDICATORS - QUARTER ENDING 30 JUNE 2021**

**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.

	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%
Estimated Ratio of Financing Costs to Revenue	7.27%	7.68%	8.16%	8.53%	8.66%	8.22%	8.08%	7.89%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	23.38%	22.80%	22.44%	21.61%	21.15%	21.15%	21.51%	23.07%

**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 30-Jun-21	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	Projected 31-Mar-29
Net External Borrowing*	476,309,000	573,703,000	689,441,000	808,138,000	833,976,000	848,013,000	858,596,000	859,179,000	857,262,000
Gross External Borrowing*	665,309,000	653,703,000	739,441,000	848,138,000	873,976,000	888,013,000	898,596,000	899,179,000	897,262,000
Capital Financing Requirement	594,932,000	653,795,000	757,775,000	867,894,000	896,674,000	910,329,000	920,081,000	927,766,000	936,238,000

\*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	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current estimate	116,867,000	162,891,000	134,077,000	52,166,000	32,716,000	30,343,000	27,702,000	28,279,000
Original Budget Estimate (including Budget Motion)	126,398,000	161,321,000	124,693,000	49,891,000	31,716,000	29,343,000	26,702,000	27,870,000
Movement in Estimated Capital Expenditure	(9,531,000)	1,570,000	9,384,000	2,275,000	1,000,000	1,000,000	1,000,000	409,000

The Original Budget Estimates are those per the 2021/22 to 2029/30 Composite Capital Budget Report on 31st March 2021.

The latest estimates for Capital Expenditure are based on draft 2021/22 Monitoring Report No.1 on 1 September 2021.

HRA Programme	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current estimate	11,745,000	11,098,000	13,519,000	13,160,000	18,377,000	15,500,000	15,500,000	15,500,000
Original Budget Estimate	11,527,000	11,098,000	13,519,000	13,160,000	18,377,000	15,500,000	15,500,000	15,500,000
Movement in Estimated Capital Expenditure	218,000	0	0	0	0	0	0	0

The Original Budget Estimates are those per the 2020/21 Housing & Communities Budget Report on 31 March 2021.

The latest estimates for Capital Expenditure are based on draft 2021/22 Monitoring Report No.1 on 1 September 2021.

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**4 Estimate of Capital Financing Requirement**

The estimate (as at August 2021) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

Composite Programme	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current Estimated Capital Financing Requirement	64,804,000	111,373,000	115,795,000	35,271,000	15,573,000	12,728,000	10,087,000	10,664,000
Original Budget Estimate (including Budget Motion)	74,721,000	109,803,000	106,411,000	32,996,000	14,573,000	11,728,000	9,087,000	10,255,000
Movement in Estimated Capital Financing Requirement	(9,917,000)	1,570,000	9,384,000	2,275,000	1,000,000	1,000,000	1,000,000	409,000

The Original Budget Estimates are those per the 2021/22 to 2029/30 Composite Capital Budget Report on 31st March 2021.

The latest estimates for Capital Expenditure are based on draft 2021/22 Monitoring Report No.1 on 1 September 2021.

HRA Programme	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current Estimated Capital Financing Requirement	8,869,000	7,757,000	9,908,000	9,124,000	13,963,000	11,000,000	11,000,000	11,000,000
Original Budget Estimate	8,559,000	7,757,000	9,908,000	9,124,000	13,963,000	11,000,000	11,000,000	11,000,000
Movement in Estimated Capital Financing Requirement	310,000	0	0	0	0	0	0	0

The Original Budget Estimates are those per the 2020/21 Housing & Communities Budget Report on 31 March 2021.

The latest estimates for Capital Expenditure are based on draft 2021/22 Monitoring Report No.1 on 1 September 2021.

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

External Borrowing	As at 30-Jun-21	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	Projected 31-Mar-29
Public Works Loan Board	485,500,000	478,000,000	570,000,000	685,000,000	717,000,000	737,000,000	752,000,000	757,000,000	759,500,000
Market Bonds (LOBOs)	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Project Borrowing	140,000	140,000	140,000	0	0	0	0	0	0
Special Loans	2,169,235	2,169,235	2,169,235	2,169,235	2,169,235	2,169,235	2,169,235	2,169,235	2,169,235
Temporary Loans/Other Borrowing	3,341,470	3,000,000	2,700,000	2,500,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Other Long Term Liabilities (PPP/PFI)	130,958,199	127,193,949	121,231,449	115,268,949	109,306,449	103,343,949	98,926,749	94,509,549	90,092,349
<b>Total Gross External Debt</b>	<b>665,308,904</b>	<b>653,703,184</b>	<b>739,440,684</b>	<b>848,138,184</b>	<b>873,975,684</b>	<b>888,013,184</b>	<b>898,595,984</b>	<b>899,178,784</b>	<b>897,261,584</b>
Short Term Investments	(154,000,000)	(80,000,000)	(50,000,000)	(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000)
Long Term Investments	(35,000,000)	0	0	0	0	0	0	0	0
<b>Total Net External Debt</b>	<b>476,308,904</b>	<b>573,703,184</b>	<b>689,440,684</b>	<b>808,138,184</b>	<b>833,975,684</b>	<b>848,013,184</b>	<b>858,595,984</b>	<b>859,178,784</b>	<b>857,261,584</b>
<b>Note:</b>									
Operational Boundary	665,000,000	654,000,000	739,000,000	848,000,000	874,000,000	888,000,000	899,000,000	899,000,000	897,000,000
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

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 was £35M 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%	1.71%
over 12 months and < 24 months	0%	35%	2.12%
over 2 years and < 5 years	0%	50%	6.89%
over 5 years and < 10 years	0%	75%	8.54%
over 10 years	10%	95%	80.74%

The maturity profile for the Council's current long-term portfolio as at 30 June 2021, 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	7,500,000	8,000,000	23,000,000	32,500,000	5,000,000	0	40,500,000	369,000,000	0	485,500,000
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	3,764,250	5,962,500	22,304,700	23,875,400	66,146,400	8,904,949	0	0	0	130,958,199
Total	11,264,250	13,962,500	45,444,700	56,375,400	71,146,400	21,904,949	65,700,000	374,000,000	0	659,798,199
Percentage	1.71%	2.12%	6.89%	8.54%	10.78%	3.32%	9.96%	56.68%	0.00%	100.00%