

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS - QUARTER ENDING 30 JUNE 2022

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.

	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	6.83%	7.39%	8.27%	8.89%	9.15%	9.03%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	21.44%	23.21%	23.04%	22.36%	22.24%	22.45%

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-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
Net External Borrowing*	499,227,000	580,136,000	804,214,000	950,431,000	1,029,949,000	1,074,466,000	1,104,709,000
Gross External Borrowing*	746,001,000	730,136,000	874,214,000	1,000,431,000	1,079,949,000	1,124,466,000	1,154,709,000
Capital Financing Requirement	653,019,000	747,361,000	893,876,000	1,018,575,000	1,098,272,000	1,144,056,000	1,175,930,000

*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	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	163,988,000	171,930,000	137,333,000	83,294,000	58,519,000	46,128,000
Original Budget Estimate (including Budget Motion)	176,562,000	173,493,000	126,749,000	61,376,000	52,519,000	43,737,000
Movement in Estimated Capital Expenditure	(12,574,000)	(1,563,000)	10,584,000	21,918,000	6,000,000	2,391,000

The Original Budget Estimates are those per the 2022/23 to 2027/28 Composite Capital Budget Report on 23 February 2022
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 1 on 7 September 2022.

HRA Programme	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	18,131,000	17,022,000	13,867,000	18,954,000	16,044,000	16,500,000
Original Budget Estimate	17,299,000	15,983,000	13,886,000	20,085,000	16,044,000	16,500,000
Movement in Estimated Capital Expenditure	832,000	1,039,000	(19,000)	(1,131,000)	0	0

The Original Budget Estimates are those per the 2020/21 Housing & Communities Budget Report on 24 January 2022.
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 1 on 7 September 2022.

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4 Estimate of Capital Financing Requirement

The estimate (as at JULY 2022) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

Composite Programme	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	123,419,000	137,855,000	115,359,000	61,499,000	38,804,000	26,458,000
Original Budget Estimate (including Budget Motion)	140,264,000	137,906,000	106,775,000	41,581,000	34,804,000	26,067,000
Movement in Estimated Capital Financing Requirement	(16,845,000)	(51,000)	8,584,000	19,918,000	4,000,000	391,000

The Original Budget Estimates are those per the 2022/23 to 2027/28 Composite Capital Budget Report on 23 February 2022

The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 1 on 7 September 2022.

HRA Programme	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	15,673,000	14,377,000	10,538,000	14,994,000	11,765,000	12,000,000
Original Budget Estimate	14,685,000	13,338,000	10,557,000	16,125,000	11,765,000	12,000,000
Movement in Estimated Capital Financing Requirement	988,000	1,039,000	(19,000)	(1,131,000)	0	0

The Original Budget Estimates are those per the 2020/21 Housing & Communities Budget Report on 24 January 2022.

The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 1 on 7 September 2022.

5 External Debt (Gross and Net)

External Borrowing	As at 30-Jun-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
Public Works Loan Board	563,000,000	560,000,000	710,000,000	842,000,000	927,000,000	977,000,000	1,012,000,000
Market Bonds (LOBOs)	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Project Borrowing	140,000	140,000	0	0	0	0	0
Special Loans	2,169,272	2,169,272	2,169,272	2,169,272	2,169,272	2,169,272	2,169,272
Temporary Loans/Other Borrowing	11,766,980	3,300,000	3,000,000	2,700,000	2,700,000	2,700,000	2,700,000
Other Long Term Liabilities (PPP/PFI)	125,724,977	121,326,977	115,844,477	110,361,977	104,879,477	99,396,977	94,639,577
Total Gross External Debt	746,001,229	730,136,249	874,213,749	1,000,431,249	1,079,948,749	1,124,466,249	1,154,708,849
Short Term Investments	(246,774,462)	(150,000,000)	(70,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)
Long Term Investments	0	0	0	0	0	0	0
Total Net External Debt	499,226,767	580,136,249	804,213,749	950,431,249	1,029,948,749	1,074,466,249	1,104,708,849
Note:							
Operational Boundary	746,000,000	730,000,000	874,000,000	1,000,000,000	1,080,000,000	1,124,000,000	1,155,000,000
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	1,200,000,000

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 were no amounts 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:

Borrowing Maturity Structure	Lower Limit	Upper Limit	Estimated
Under 12 months	0%	35%	1.21%
over 12 months and < 24 months	0%	35%	1.43%
over 2 years and < 5 years	0%	50%	6.05%
over 5 years and < 10 years	0%	75%	7.24%
over 10 years	10%	95%	84.08%

The maturity profile for the Council's current long-term portfolio as at 30 June 2022, 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	3,000,000	5,000,000	23,000,000	27,500,000	5,000,000	0	40,500,000	459,000,000	0	563,000,000
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	5,864,000	5,482,500	21,204,900	25,611,400	69,028,177	0	0	0	0	127,190,977
Total	8,864,000	10,482,500	44,344,900	53,111,400	74,028,177	13,000,000	65,700,000	464,000,000	0	733,530,977
Percentage	1.21%	1.43%	6.05%	7.24%	10.09%	1.77%	8.96%	63.26%	0.00%	100.00%