

ANALYSIS OF PRUDENTIAL INDICATORS
- Quarter Ending 31 December 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	9.28%	9.91%	10.57%	10.93%	11.51%	11.87%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	23.31%	25.34%	24.68%	23.45%	23.44%	23.41%

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 31-Dec-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*	421,816,000	434,626,000	470,195,000	483,289,000	519,122,000	561,683,000	597,103,000
Gross External Borrowing*	462,134,000	459,626,000	490,195,000	498,289,000	534,122,000	576,683,000	612,103,000
Capital Financing Requirement	516,630,000	521,533,000	558,902,000	581,966,000	623,603,000	681,985,000	732,099,000

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

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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	98,641,000	73,989,000	61,715,000	91,898,000	106,377,000	71,361,000
Original Budget Estimate	90,903,000	80,537,000	100,139,000	97,837,000	90,102,000	43,771,000
Movement in Estimated Capital Expenditure	7,738,000	(6,548,000)	(38,424,000)	(5,939,000)	16,275,000	27,590,000

The Original Budget Estimates are those per the 2016/17 Strategic Policy & Resources Capital Monitoring Report No.4 on 19th April 2017.

The latest estimates for Capital Expenditure are based on 2017/18 SP&R Monitoring Report No.3 on 7th February 2018.

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	24,323,000	12,418,000	9,020,000	10,085,000	9,389,000	28,677,000
Original Budget Estimate	20,309,000	11,732,000	10,523,000	10,530,000	25,478,000	11,500,000
Movement in Estimated Capital Expenditure	4,014,000	686,000	(1,503,000)	(445,000)	(16,089,000)	17,177,000

The Original Budget Estimates are those per the 2016/17 Strategic Policy & Resources Capital Monitoring Report No.4 on 19th April 2017.

The latest estimates for Capital Expenditure are based on 2017/18 SP&R Monitoring Report No.3 on 7th February 2018.

5 Estimate of Capital Financing Requirement

The estimate (as at December 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	64,318,000	49,075,000	39,973,000	58,845,000	77,778,000	52,106,000
Original Budget Estimate	60,011,000	56,909,000	78,011,000	66,008,000	62,482,000	25,845,000
Movement in Estimated Capital Financing Requirement	4,307,000	(7,834,000)	(38,038,000)	(7,163,000)	15,296,000	26,261,000

The Original Budget Estimates are those per the 2016/17 Strategic Policy & Resources Capital Monitoring Report No.4 on 19th April 2017.

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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	20,814,000	9,554,000	5,748,000	5,971,000	4,712,000	23,485,000
Original Budget Estimate	17,452,000	8,905,000	7,373,000	6,906,000	21,495,000	7,500,000
Movement in Estimated Capital Financing Requirement	3,362,000	649,000	(1,625,000)	(935,000)	(16,783,000)	15,985,000

The Original Budget Estimates are those per the 2016/17 Strategic Policy & Resources Capital Monitoring Report No.4 on 19th April 2017.
The latest estimates for Capital Expenditure are based on 2017/18 SP&R Monitoring Report No.3 on 7th February 2018.

6 External Debt (Gross and Net)

External Borrowing	As at 31-Dec-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	288,109,677	298,000,000	333,000,000	346,000,000	386,500,000	434,000,000	474,000,000
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	2,235,841	2,200,000	2,000,000	1,800,000	1,600,000	1,500,000
Project Borrowing	520,669	492,223	435,334	168,444	140,000	140,000	140,000
Temporary Loans/Other Borrowing	13,325,564	2,000,000	1,900,000	1,700,000	1,500,000	1,000,000	1,000,000
Other Long Term Liabilities	114,742,250	113,698,000	109,459,250	105,220,500	100,981,750	96,743,000	92,262,600
Total Gross External Debt	462,134,001	459,626,063	490,194,583	498,288,943	534,121,749	576,682,999	612,102,599
Short Term Investments	(40,317,520)	(25,000,000)	(20,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
Long Term Investments	0	0	0	0	0	0	0
Total Net External Debt	421,816,481	434,626,064	470,194,584	483,288,944	519,121,750	561,683,000	597,102,600
Note:							
Operational Boundary	462,000,000	460,000,000	490,000,000	498,000,000	534,000,000	577,000,000	612,000,000
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 2013).

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8 Interest Rate Exposures

	Actual as at 31-Dec-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	403,372,596	412,190,223	442,894,584	451,388,944	487,621,750	530,883,000	566,402,600
Total Fixed Rate Investments	0	0	0	0	0	0	0
	403,372,596	412,190,223	442,894,584	451,388,944	487,621,750	530,883,000	566,402,600
Total Gross Borrowing	462,134,001	459,626,063	490,194,583	498,288,943	534,121,749	576,682,999	612,102,599
	87.3%	89.7%	90.4%	90.6%	91.3%	92.1%	92.5%
Upper limit on Fixed Interest Rate Debt	100%	100%	100%	100%	100%	100%	100%

	Actual as at 31-Dec-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	58,761,405	47,435,841	47,300,000	46,900,000	46,500,000	45,800,000	45,700,000
Total Variable Rate Investments	(40,317,520)	(25,000,000)	(20,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
	18,443,885	22,435,841	27,300,000	31,900,000	31,500,000	30,800,000	30,700,000
Total Net Borrowing (including investments arising from short term cash balances)	421,816,481	434,626,064	470,194,584	483,288,944	519,121,750	561,683,000	597,102,600
	4.4%	5.2%	5.8%	6.6%	6.1%	5.5%	5.1%
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 31st December 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 (£)	1,153,340	14,501,930	45,656,745	59,348,452	282,712,129	403,372,596
% of Total Fixed Debt	0.3%	3.6%	11.3%	14.7%	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.