

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS 2018/19 TO 2027/28

APPENDIX V

1 RATIO OF FINANCING COSTS:NET REVENUE BUDGET

The ratio of Capital Financing Costs, including PPP Unitary Charges, to the Council's net revenue budget shall not exceed the following limits, which are based on historical levels, and allow some headroom for movement in interest rates etc.

	2018/19	2019/20	2020/21	2021/22	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%	15.00%	15.00%	15.00%	15.00%
Estimated Ratio of Financing Costs to Revenue	8.25%	8.65%	9.21%	9.83%	10.19%	10.47%	10.59%	10.39%	10.48%	9.88%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	25.22%	24.68%	23.50%	23.46%	23.58%	25.24%	25.71%	26.20%	24.69%	24.20%

2 GROSS & NET DEBT AND CAPITAL FINANCING REQUIREMENT

External borrowing must not exceed the total capital financing requirement, to ensure that over the medium term, borrowing is only undertaken for capital purposes. The estimated total borrowing and Capital Financing Requirement at the end of each of the years is shown below. Borrowing figures include the amount outstanding under PPP arrangements.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£	£	£	£	£	£
Net External Debt	457,730,000	495,989,000	551,822,000	623,883,000	681,203,000	691,482,000	692,002,000	702,521,000	713,041,000	723,561,000
Gross External Debt	487,730,000	520,989,000	576,822,000	648,883,000	706,203,000	716,482,000	717,002,000	727,521,000	738,041,000	748,561,000
Capital Financing Requirement	556,211,000	579,384,000	645,648,000	718,492,000	782,180,000	788,416,000	783,962,000	779,794,000	775,787,000	772,171,000

3 ESTIMATES OF CAPITAL EXPENDITURE

The total estimated Capital Expenditure contained within the Council's Budgets for each year is as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£	£	£	£	£	£
Composite Programme	80,539,000	68,789,000	117,099,000	117,235,000	80,847,000	36,052,000	26,152,000	26,152,000	26,152,000	26,152,000
PPP Expenditure Programme	0	0	0	0	0	0	0	0	0	0
HRA	13,930,000	8,320,000	9,632,000	9,389,000	28,677,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Estimated Capital Expenditure	94,469,000	77,109,000	126,731,000	126,624,000	109,524,000	51,052,000	41,152,000	41,152,000	41,152,000	41,152,000

4 ESTIMATE OF CAPITAL FINANCING REQUIREMENT OF YEAR

The estimate of the Capital Financing Requirement (i.e. new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£	£	£	£	£	£
Composite Programme	48,558,000	35,628,000	78,366,000	87,015,000	59,942,000	17,202,000	7,302,000	7,302,000	7,302,000	7,302,000
PPP Programme	0	0	0	0	0	0	0	0	0	0
HRA	10,846,000	4,828,000	5,298,000	4,492,000	23,485,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Estimated Capital Financing Requirement	59,404,000	40,456,000	83,664,000	91,507,000	83,427,000	27,202,000	17,302,000	17,302,000	17,302,000	17,302,000

The total Capital Financing Requirement (i.e. including all prior years outstanding capital expenditure to be financed by borrowing) is shown above under indicator No.3

APPENDIX V

The estimated maximum total external debt (gross of investments and including amounts outstanding under PPP arrangements) based on the Council's plans for each of the years is as follows:

The Operational Boundary estimates the most likely level of borrowing based on the Council's plans. It is therefore likely that throughout the year the actual level of borrowing may be above or below the Operational Boundary due to uneven cashflows. The Authorised Limit for total external debt (gross of investments) allows some headroom over the Operational Boundary above in the event of exceptional cashflows, e.g. when debt restructuring, or in the vent of unforeseen circumstances.

The upper limit for the Council's investments invested for a period longer than 1 year is as follows:

[illegible]