

**PERTH AND KINROSS COUNCIL**  
**PRUDENTIAL INDICATORS 2020/21 TO 2028/29**

**APPENDIX V**

**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.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Prudential Limit - General Fund Estimated Ratio of Financing Costs to Revenue	15.00% 7.68%	15.00% 7.95%	15.00% 8.25%	15.00% 8.76%	15.00% 9.10%	15.00% 8.75%	15.00% 8.75%	15.00% 8.49%	15.00% 8.37%
Prudential Limit - HRA Estimated Ratio of Financing Costs to Revenue	30.00% 22.85%	30.00% 22.59%	30.00% 21.97%	30.00% 21.90%	30.00% 21.81%	30.00% 21.97%	30.00% 21.83%	30.00% 22.49%	30.00% 24.20%

**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 31-Mar-20	Projected 31-Mar-21	Projected 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*	492,140,000	490,678,000	526,979,000	702,781,000	781,542,000	837,444,000	847,980,000	858,516,000	844,052,000	857,089,000
Gross External Borrowing*	698,143,000	670,678,000	656,979,000	782,781,000	831,542,000	862,444,000	872,980,000	883,516,000	869,052,000	882,089,000
Capital Financing Requirement	584,350,000	624,922,000	677,685,000	806,162,000	854,902,000	883,391,000	895,164,000	904,438,000	912,728,000	922,274,000

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

**3 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	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Composite Programme	83,710,000	129,517,000	166,736,000	75,784,000	44,342,000	31,766,000	28,834,000	26,728,000	27,924,000
PPP Expenditure Programme	0	0	0	0	0	0	0	0	0
HRA	18,626,000	7,430,000	7,946,000	11,452,000	23,188,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Estimated Capital Expenditure	102,336,000	136,947,000	174,682,000	87,236,000	67,530,000	46,766,000	43,834,000	41,728,000	42,924,000

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**4 Estimate of Capital Financing Requirement**

The estimate (as at September 2020) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

Composite Programme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Composite Programme	39,271,000	63,983,000	139,799,000	56,918,000	25,492,000	12,916,000	9,984,000	7,878,000	9,074,000
PPP Programme	0	0	0	0	0	0	0	0	0
HRA	15,791,000	4,201,000	4,222,000	7,448,000	18,772,000	11,000,000	11,000,000	11,000,000	11,000,000
Estimated Capital Financing Requirement	55,062,000	68,184,000	144,021,000	64,366,000	44,264,000	23,916,000	20,984,000	18,878,000	20,074,000

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

External Borrowing	As at 31-Mar-20	Projected 31-Mar-21	Projected 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	498,000,000	490,500,000	483,000,000	615,000,000	670,000,000	707,000,000	722,000,000	737,000,000	727,000,000	744,500,000
Market Bonds	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	43,200,000
Special Loans	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841	2,123,841
Project Borrowing	168,445	140,000	140,000	140,000	0	0	0	0	0	0
Temporary Loans/Other Borrowing	17,463,880	2,500,000	2,200,000	1,900,000	1,700,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Other Long Term Liabilities	137,187,249	132,214,000	126,315,500	120,417,000	114,518,500	108,620,000	104,156,200	99,692,400	95,228,600	90,764,800
<b>Total Gross External Debt</b>	<b>698,143,415</b>	<b>670,677,841</b>	<b>656,979,341</b>	<b>782,780,841</b>	<b>831,542,341</b>	<b>862,443,841</b>	<b>872,980,041</b>	<b>883,516,241</b>	<b>869,052,441</b>	<b>882,088,641</b>
Short Term Investments	(206,003,298)	(145,000,000)	(130,000,000)	(80,000,000)	(50,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)
Long Term Investments	0	(35,000,000)	0	0	0	0	0	0	0	0
<b>Total Net External Debt</b>	<b>492,140,117</b>	<b>490,677,841</b>	<b>526,979,341</b>	<b>702,780,841</b>	<b>781,542,341</b>	<b>837,443,841</b>	<b>847,980,041</b>	<b>858,516,241</b>	<b>844,052,441</b>	<b>857,088,641</b>
<b>Note:</b>										
Operational Boundary	698,000,000	671,000,000	657,000,000	783,000,000	832,000,000	862,000,000	873,000,000	884,000,000	869,000,000	882,000,000
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	900,000,000

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 £45million.

This limit reflects approximately 20% of the investment balances based on the portfolio as at September 2020. Any such investment must only be made where the Council's projected cashflow balances allow.

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**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%	1.8%
over 12 months and < 24 months	0%	35%	2.7%
over 2 years and < 5 years	0%	50%	6.5%
over 5 years and < 10 years	0%	75%	8.8%
over 10 years	10%	95%	80.2%

The maturity profile for the Council's current long-term portfolio, 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	12,500,000	26,000,000	37,500,000	5,000,000	0	31,500,000	378,000,000	0	498,000,000
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0	43,200,000
PPP Liability	4,973,249	5,898,500	17,695,500	22,319,000	67,069,000	19,232,000	0	0	0	137,187,249
Other	28,445	0	140,000	0	0	0	0	0	0	168,445
<b>Total</b>	<b>12,501,694</b>	<b>18,398,500</b>	<b>43,835,500</b>	<b>59,819,000</b>	<b>72,069,000</b>	<b>32,232,000</b>	<b>56,700,000</b>	<b>383,000,000</b>	<b>0</b>	<b>678,555,694</b>
<b>Percentage</b>	<b>1.8%</b>	<b>2.7%</b>	<b>6.5%</b>	<b>8.8%</b>	<b>10.6%</b>	<b>4.8%</b>	<b>8.4%</b>	<b>56.4%</b>	<b>0.0%</b>	<b>100.0%</b>