

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS - QUARTER ENDING 31 DECEMBER 2021

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	7.91%	8.24%	8.74%	9.33%	9.60%	9.06%	8.91%	8.83%
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	23.88%	24.03%	23.50%	22.65%	21.80%	21.49%	21.78%	23.32%

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-Dec-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*	492,319,000	533,704,000	604,441,000	803,138,000	848,976,000	868,013,000	878,596,000	889,179,000	897,262,000
Gross External Borrowing*	752,827,000	743,704,000	734,441,000	853,138,000	898,976,000	918,013,000	928,596,000	939,179,000	947,262,000
Capital Financing Requirement	604,392,000	637,467,000	756,708,000	876,051,000	920,750,000	936,787,000	949,052,000	958,011,000	968,039,000

*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	90,702,000	168,345,000	161,546,000	70,704,000	36,936,000	33,395,000	29,613,000	30,958,000
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	(35,696,000)	7,024,000	36,853,000	20,813,000	5,220,000	4,052,000	2,911,000	3,088,000

The Original Budget Estimates are those per the 2021/22 to 2028/29 Composite Capital Budget Report on 31st March 2021. The latest estimates for Capital Expenditure are based on the 2021/22 Monitoring Report No.3 on 2 February 2022.

HRA Programme	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current estimate	14,617,000	12,299,000	12,983,000	10,886,000	17,085,000	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	3,090,000	1,201,000	(536,000)	(2,274,000)	(1,292,000)	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 the 2021/22 Monitoring Report No.3 on 2 February 2022.

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS - QUARTER ENDING 31 DECEMBER 2021

APPENDIX IV

4 Estimate of Capital Financing Requirement

The estimate (as at December 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	45,007,000	125,405,000	125,564,000	53,809,000	19,793,000	15,780,000	11,998,000	13,343,000
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	(29,714,000)	15,602,000	19,153,000	20,813,000	5,220,000	4,052,000	2,911,000	3,088,000

The Original Budget Estimates are those per the 2021/22 to 2028/29 Composite Capital Budget Report on 31st March 2021.

The latest estimates for Capital Expenditure are based on the 2021/22 Monitoring Report No.3 on 2 February 2022.

HRA Programme	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current Estimated Capital Financing Requirement	12,396,000	8,958,000	9,372,000	6,850,000	12,671,000	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	3,837,000	1,201,000	(536,000)	(2,274,000)	(1,292,000)	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 the 2021/22 Monitoring Report No.3 on 2 February 2022.

5 External Debt (Gross and Net)

External Borrowing	As at 31-Dec-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	575,500,000	568,000,000	565,000,000	690,000,000	742,000,000	767,000,000	782,000,000	797,000,000	809,500,000
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	2,169,254	2,169,254	2,169,254	2,169,254	2,169,254	2,169,254	2,169,254	2,169,254	2,169,254
Temporary Loans/Other Borrowing	3,368,431	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)	128,448,951	127,194,346	121,231,770	115,269,194	109,306,618	103,344,043	98,926,869	94,509,695	90,092,521
Total Gross External Debt	752,826,636	743,703,600	734,441,024	853,138,448	898,975,872	918,013,297	928,596,123	939,178,949	947,261,775
Short Term Investments	(240,507,611)	(210,000,000)	(130,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)
Long Term Investments	(20,000,000)	0	0	0	0	0	0	0	0
Total Net External Debt	492,319,025	533,703,600	604,441,024	803,138,448	848,975,872	868,013,297	878,596,123	889,178,949	897,261,775
Note:									
Operational Boundary	753,000,000	744,000,000	734,000,000	853,000,000	899,000,000	918,000,000	929,000,000	939,000,000	947,000,000
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.

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS - QUARTER ENDING 31 DECEMBER 2021

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 £20M 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%	1.17%
over 12 months and < 24 months	0%	35%	1.87%
over 2 years and < 5 years	0%	50%	6.08%
over 5 years and < 10 years	0%	75%	7.54%
over 10 years	10%	95%	83.33%

The maturity profile for the Council's current long-term portfolio as at 31 December 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	459,000,000	0	575,500,000
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	1,254,605	5,962,576	22,304,901	23,875,338	70,009,414	5,042,117	0	0	0	128,448,951
Total	8,754,605	13,962,576	45,444,901	56,375,338	75,009,414	18,042,117	65,700,000	464,000,000	0	747,288,951
Percentage	1.17%	1.87%	6.08%	7.54%	10.04%	2.41%	8.79%	62.09%	0.00%	100.00%