

**PERTH AND KINROSS COUNCIL**  
**PRUDENTIAL INDICATORS - 6 MONTHS ENDING 31 MARCH 2024**

**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.

	2023/24	2024/25	2025/26	2026/27	2027/28
Prudential Limit - General Fund	15.00%	15.00%	15.00%	15.00%	15.00%
Estimated Ratio of Financing Costs to Revenue	6.49%	7.40%	8.90%	9.13%	9.29%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	21.93%	20.94%	23.11%	23.22%	24.57%

**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-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28
Net External Borrowing*	682,369,000	899,737,000	999,620,000	1,089,403,000	1,159,285,000
Gross External Borrowing*	747,902,000	939,737,000	1,024,620,000	1,114,403,000	1,184,285,000
Capital Financing Requirement	791,035,000	959,316,000	1,044,110,000	1,134,132,000	1,204,043,000

\*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	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	160,138,000	232,568,000	115,913,000	103,406,000	76,914,000
Original Budget Estimate (including Budget Motion)	194,880,000	184,661,000	113,465,000	69,816,000	48,219,000
Movement in Estimated Capital Expenditure	(34,742,000)	47,907,000	2,448,000	33,590,000	28,695,000

The Original Budget Estimates are those per the 2023/24 to 2027/28 Composite Capital Budget Report on 1 March 2023  
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 4 on 24 April 2024.

HRA Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	19,249,000	21,536,000	19,942,000	15,633,000	19,845,000
Original Budget Estimate	18,457,000	13,858,000	18,669,000	19,044,000	19,044,000
Movement in Estimated Capital Expenditure	792,000	7,678,000	1,273,000	(3,411,000)	801,000

The Original Budget Estimates are those per the 2023/24 to 2027/28 Housing & Social Wellbeing Budget Report on 25 January 2023.  
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 4 on 24 April 2024.

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**APPENDIX IV**

**4 Estimate of Capital Financing Requirement**

The estimate (as at April 2024) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

Composite Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	109,837,000	199,423,000	97,024,000	76,816,000	52,721,000
Original Budget Estimate (including Budget Motion)	146,850,000	164,688,000	95,082,000	49,184,000	24,991,000
Movement in Estimated Capital Financing Requirement	(37,013,000)	34,735,000	1,942,000	27,632,000	27,730,000

The Original Budget Estimates are those per the 2023/24 to 2027/28 Composite Capital Budget Report on 1 March 2023  
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 4 on 24 April 2024.

HRA Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	17,183,000	19,703,000	17,864,000	13,629,000	17,720,000
Original Budget Estimate	16,402,000	11,940,000	16,421,000	16,524,000	16,292,000
Movement in Estimated Capital Financing Requirement	781,000	7,763,000	1,443,000	(2,895,000)	1,428,000

The Original Budget Estimates are those per the 2023/24 to 2027/28 Housing & Social Wellbeing Budget Report on 25 January 2023.  
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 4 on 24 April 2024.

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

External Borrowing	As at 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28
Public Works Loan Board	585,000,000	782,000,000	872,000,000	967,000,000	1,042,000,000
Market Bonds (LOBOs)	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Project Borrowing	0	0	0	0	0
Special Loans	2,414,508	2,414,508	2,414,508	2,414,508	2,414,508
Temporary Loans/Other Borrowing	2,247,591	2,000,000	1,800,000	1,500,000	1,300,000
Other Long Term Liabilities (PPP/PFI)	115,039,977	110,122,727	105,205,477	100,288,227	95,370,977
<b>Total Gross External Debt</b>	<b>747,902,076</b>	<b>939,737,235</b>	<b>1,024,619,985</b>	<b>1,114,402,735</b>	<b>1,184,285,485</b>
Short Term Investments	(65,533,505)	(40,000,000)	(25,000,000)	(25,000,000)	(25,000,000)
Long Term Investments	0	0	0	0	0
<b>Total Net External Debt</b>	<b>682,368,571</b>	<b>899,737,235</b>	<b>999,619,985</b>	<b>1,089,402,735</b>	<b>1,159,285,485</b>
<b>Note:</b>					
Operational Boundary	748,000,000	940,000,000	1,025,000,000	1,115,000,000	1,185,000,000
Authorised Limit	1,200,000,000	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000

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 31 March 2024.

**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%	2.41%
over 12 months and < 24 months	0%	35%	1.33%
over 2 years and < 5 years	0%	50%	7.73%
over 5 years and < 10 years	0%	75%	6.38%
over 10 years	10%	95%	82.14%

The maturity profile for the Council's current long-term portfolio as at 31st March 2024, 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	13,000,000	5,000,000	42,500,000	20,000,000	5,000,000	0	60,500,000	439,000,000	0	585,000,000
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0	43,200,000
Other	0	0	0	0	0	0	0	0	0	0
PPP/PFI	4,917,250	4,917,250	14,948,700	27,426,400	62,830,377	0	0	0	0	115,039,977
<b>Total</b>	<b>17,917,250</b>	<b>9,917,250</b>	<b>57,448,700</b>	<b>47,426,400</b>	<b>67,830,377</b>	<b>13,000,000</b>	<b>85,700,000</b>	<b>444,000,000</b>	<b>0</b>	<b>743,239,977</b>
Percentage	2.41%	1.33%	7.73%	6.38%	9.13%	1.75%	11.53%	59.74%	0.00%	100.00%