

**PERTH AND KINROSS COUNCIL**  
**PRUDENTIAL INDICATORS - QUARTER ENDING 30 JUNE 2023**

**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.

	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	7.08%	8.60%	10.09%	10.51%	9.99%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	22.37%	22.31%	23.34%	23.55%	22.74%

**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 30-Jun-23	Projected 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28
Net External Borrowing*	570,637,000	714,533,000	966,316,000	1,066,099,000	1,120,982,000	1,155,864,000
Gross External Borrowing*	724,687,000	744,533,000	986,316,000	1,086,099,000	1,140,982,000	1,175,864,000
Capital Financing Requirement	720,743,000	837,670,000	1,007,726,000	1,105,967,000	1,161,475,000	1,196,084,000

\*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	209,005,000	195,542,000	111,577,000	67,408,000	48,605,000
Original Budget Estimate (including Budget Motion)	192,880,000	182,661,000	111,465,000	67,816,000	46,219,000
Movement in Estimated Capital Expenditure	16,125,000	12,881,000	112,000	(408,000)	2,386,000

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 1 on 13 September 2023.

HRA Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	24,746,000	13,853,000	15,519,000	19,044,000	19,044,000
Original Budget Estimate	18,457,000	13,858,000	18,669,000	19,044,000	19,044,000
Movement in Estimated Capital Expenditure	6,289,000	(5,000)	(3,150,000)	0	0

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 1 on 13 September 2023.

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**4 Estimate of Capital Financing Requirement**

The estimate (as at July 2023) 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	157,207,000	175,445,000	93,069,000	46,776,000	25,377,000
Original Budget Estimate (including Budget Motion)	146,850,000	164,688,000	95,082,000	49,184,000	24,991,000
<b>Movement in Estimated Capital Financing Requirement</b>	<b>10,357,000</b>	<b>10,757,000</b>	<b>(2,013,000)</b>	<b>(2,408,000)</b>	<b>386,000</b>

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 1 on 13 September 2023.

HRA Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	22,780,000	11,935,000	13,271,000	16,524,000	16,292,000
Original Budget Estimate	16,402,000	11,940,000	16,421,000	16,524,000	16,292,000
<b>Movement in Estimated Capital Financing Requirement</b>	<b>6,378,000</b>	<b>(5,000)</b>	<b>(3,150,000)</b>	<b>0</b>	<b>0</b>

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 1 on 13 September 2023.

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

External Borrowing	As at 30-Jun-23	Projected 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28
Public Works Loan Board	555,000,000	580,000,000	827,000,000	932,000,000	992,000,000	1,032,000,000
Market Bonds (LOBOs)	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Project Borrowing	140,000	0	0	0	0	0
Special Loans	2,293,508	2,293,508	2,293,508	2,293,508	2,293,508	2,293,508
Temporary Loans/Other Borrowing	4,298,550	4,000,000	3,700,000	3,400,000	3,200,000	3,000,000
Other Long Term Liabilities (PPP/PFI)	119,755,227	115,039,977	110,122,727	105,205,477	100,288,227	95,370,977
<b>Total Gross External Debt</b>	<b>724,687,285</b>	<b>744,533,485</b>	<b>986,316,235</b>	<b>1,086,098,985</b>	<b>1,140,981,735</b>	<b>1,175,864,485</b>
Short Term Investments	(154,050,000)	(30,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
Long Term Investments	0	0	0	0	0	0
<b>Total Net External Debt</b>	<b>570,637,285</b>	<b>714,533,485</b>	<b>966,316,235</b>	<b>1,066,098,985</b>	<b>1,120,981,735</b>	<b>1,155,864,485</b>
<b>Note:</b>						
Operational Boundary	725,000,000	745,000,000	986,000,000	1,086,000,000	1,141,000,000	1,176,000,000
Authorised Limit	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000

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 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:

Borrowing Maturity Structure	Lower Limit	Upper Limit	Estimated
Under 12 months	0%	35%	0.68%
over 12 months and < 24 months	0%	35%	2.50%
over 2 years and < 5 years	0%	50%	4.84%
over 5 years and < 10 years	0%	75%	6.00%
over 10 years	10%	95%	85.99%

The maturity profile for the Council's current long-term portfolio as at 30th June 2023, 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	0	13,000,000	20,000,000	17,500,000	5,000,000	0	50,500,000	449,000,000	0	555,000,000
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0	43,200,000
Other	140,000	0	0	0	0	0	0	0	0	140,000
other	4,715,250	4,917,250	14,751,750	25,571,000	66,900,000	2,899,977	0	0	0	119,755,227
<b>Total</b>	<b>4,855,250</b>	<b>17,917,250</b>	<b>34,751,750</b>	<b>43,071,000</b>	<b>71,900,000</b>	<b>15,899,977</b>	<b>75,700,000</b>	<b>454,000,000</b>	<b>0</b>	<b>718,095,227</b>
<b>Percentage</b>	<b>0.68%</b>	<b>2.50%</b>	<b>4.84%</b>	<b>6.00%</b>	<b>10.01%</b>	<b>2.21%</b>	<b>10.54%</b>	<b>63.22%</b>	<b>0.00%</b>	<b>100.00%</b>