

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS 2024/25 TO 2029/30

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	2028/29	2029/30
Prudential Limit - General Fund	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Estimated Ratio of Financing Costs to Revenue	6.09%	8.18%	8.90%	9.01%	9.16%	9.90%	9.79%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	21.91%	20.09%	21.45%	21.34%	22.50%	26.76%	28.01%

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:

	Estimated 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28	Projected 31-Mar-29	Projected 31-Mar-30
Net External Borrowing*	709,154,000	904,754,000	999,345,000	1,084,917,000	1,160,490,000	1,198,376,000	1,228,262,000
Gross External Borrowing*	759,154,000	934,754,000	1,024,345,000	1,109,917,000	1,185,490,000	1,223,376,000	1,253,262,000
Capital Financing Requirement	811,284,000	954,235,000	1,044,869,000	1,128,840,000	1,206,372,000	1,244,928,000	1,274,355,000

*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 based on the Council's recent approved Budgets for each year is as follows.

Gross Capital Expenditure	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Composite Programme	184,831,000	207,568,000	119,305,000	90,371,000	71,378,000	37,039,000	34,008,000
HRA Programme	18,738,000	18,831,000	17,248,000	16,283,000	21,105,000	20,044,000	20,000,000
Total Gross Capital Expenditure	203,569,000	226,399,000	136,553,000	106,654,000	92,483,000	57,083,000	54,008,000

4 Estimate of Capital Financing Requirement

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

Capital Financing Requirement	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Composite Programme	135,370,000	177,907,000	102,378,000	65,781,000	49,185,000	19,739,000	16,222,000
HRA Programme	16,675,000	16,913,000	15,000,000	13,763,000	18,353,000	17,704,000	17,700,000
Movement in Estimated Capital Financing Requirement	152,045,000	194,820,000	117,378,000	79,544,000	67,538,000	37,443,000	33,922,000

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5 External Debt (Gross and Net)

External Borrowing	Estimated 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28	Projected 31-Mar-29	Projected 31-Mar-30
Public Works Loan Board	595,000,000	777,000,000	872,000,000	962,000,000	1,042,000,000	1,085,000,000	1,120,000,000
Market Bonds (LOBOs)	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Project Borrowing	0	0	0	0	0	0	0
Special Loans	2,414,508	2,414,508	2,414,508	2,414,508	2,414,508	2,414,508	2,414,508
Temporary Loans/Other Borrowing	3,500,000	3,250,000	3,000,000	2,750,000	2,500,000	2,500,000	2,500,000
Other Long Term Liabilities (PPP/PFI)	115,039,594	108,889,304	103,730,136	99,552,709	95,375,282	90,261,141	85,147,000
Total Gross External Debt	759,154,102	934,753,812	1,024,344,644	1,109,917,217	1,185,489,790	1,223,375,649	1,253,261,508
Short Term Investments	(50,000,000)	(30,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)
Long Term Investments	0	0	0	0	0	0	0
Total Net External Debt	709,154,102	904,753,812	999,344,644	1,084,917,217	1,160,489,790	1,198,375,649	1,228,261,508
Note:							
Operational Boundary	759,000,000	935,000,000	1,024,000,000	1,110,000,000	1,185,000,000	1,223,000,000	1,253,000,000
Authorised Limit	1,200,000,000	1,280,000,000	1,280,000,000	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.

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 no amounts invested within this period as at the start of the financial year.

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%	2.54%
over 12 months and < 24 months	0%	35%	1.35%
over 2 years and < 5 years	0%	50%	6.10%
over 5 years and < 10 years	0%	75%	8.95%
over 10 years	10%	95%	81.05%

The maturity profile for the Council's current long-term portfolio as at 1 April 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	32,500,000	40,000,000	5,000,000	0	60,500,000	439,000,000	0	595,000,000
LOBOs	0	0	0	0	0	23,000,000	15,200,000	5,000,000	0	43,200,000
Other	0	0	0	0	0	0	0	0	0	0
PPP/PFI Liability	6,150,290	5,159,168	13,468,995	27,426,136	61,866,009	968,996	0	0	0	115,039,594
Total	19,150,290	10,159,168	45,968,995	67,426,136	66,866,009	23,968,996	75,700,000	444,000,000	0	753,239,594
Percentage	2.54%	1.35%	6.10%	8.95%	8.88%	3.18%	10.05%	58.95%	0.00%	100.00%