

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS - QUARTER ENDING 30 SEPTEMBER 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	7.85%	8.25%	8.91%	9.54%	9.80%	9.25%	9.08%	8.93%
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	23.65%	24.10%	24.00%	23.03%	22.13%	21.81%	22.10%	23.66%

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-Sep-21	Actual as at 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*	461,186,000	523,704,000	639,441,000	808,138,000	853,976,000	868,013,000	878,596,000	884,179,000	897,262,000
Gross External Borrowing*	664,254,000	653,704,000	719,441,000	858,138,000	903,976,000	918,013,000	928,596,000	934,179,000	947,262,000
Capital Financing Requirement	619,457,000	635,306,000	738,372,000	876,795,000	923,673,000	939,086,000	948,718,000	957,228,000	967,361,000

*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	98,422,000	161,520,000	160,859,000	72,901,000	36,311,000	30,883,000	29,284,000	30,904,000
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	(27,976,000)	199,000	36,166,000	23,010,000	4,595,000	1,540,000	2,582,000	3,034,000

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.2 on 24 November 2021.

HRA Programme	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current estimate	14,134,000	12,578,000	12,983,000	10,972,000	17,203,000	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	2,607,000	1,480,000	(536,000)	(2,188,000)	(1,174,000)	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.2 on 24 November 2021.

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4 Estimate of Capital Financing Requirement

The estimate (as at August 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	43,383,000	109,083,000	144,877,000	56,006,000	19,168,000	13,268,000	11,669,000	13,289,000
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	(31,338,000)	(720,000)	38,466,000	23,010,000	4,595,000	1,540,000	2,582,000	3,034,000

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.2 on 24 November 2021.

HRA Programme	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current Estimated Capital Financing Requirement	11,859,000	9,237,000	9,372,000	6,936,000	12,789,000	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	3,300,000	1,480,000	(536,000)	(2,188,000)	(1,174,000)	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.2 on 24 November 2021.

5 External Debt (Gross and Net)

External Borrowing	As at 30-Sep-21	As at 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	485,500,000	478,000,000	550,000,000	695,000,000	747,000,000	767,000,000	782,000,000	792,000,000	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	2,169,235	2,169,235	2,169,235	2,169,235	2,169,235	2,169,235	2,169,235	2,169,235	2,169,235
Temporary Loans/Other Borrowing	3,541,170	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)	129,703,557	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	664,253,962	653,703,581	719,441,005	858,138,429	903,975,853	918,013,278	928,596,104	934,178,930	947,261,756
Short Term Investments	(183,068,373)	(130,000,000)	(80,000,000)	(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	461,185,589	523,703,581	639,441,005	808,138,429	853,975,853	868,013,278	878,596,104	884,178,930	897,261,756
Note:									
Operational Boundary	664,000,000	654,000,000	719,000,000	858,000,000	904,000,000	918,000,000	929,000,000	934,000,000	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.

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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 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%	1.52%
over 12 months and < 24 months	0%	35%	2.12%
over 2 years and < 5 years	0%	50%	6.90%
over 5 years and < 10 years	0%	75%	8.56%
over 10 years	10%	95%	80.90%

The maturity profile for the Council's current long-term portfolio as at 30 September 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	369,000,000	0	485,500,000
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	2,509,211	5,962,576	22,304,901	23,875,338	70,009,414	5,042,117	0	0	0	129,703,557
Total	10,009,211	13,962,576	45,444,901	56,375,338	75,009,414	18,042,117	65,700,000	374,000,000	0	658,543,557
Percentage	1.52%	2.12%	6.90%	8.56%	11.39%	2.74%	9.98%	56.79%	0.00%	100.00%