

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS 2022/23 TO 2027/28

Appendix V

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 mc
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
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	7.00%	7.24%	7.79%	8.58%	9.11%	8.86%	8.90%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	23.80%	23.79%	23.61%	23.15%	22.39%	22.17%	22.39%

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 17-Feb-22	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
Net External Borrowing*	478,554,000	514,004,000	614,741,000	803,338,000	944,176,000	1,008,013,000	1,053,596,000	1,089,179,000
Gross External Borrowing*	744,628,000	744,004,000	744,741,000	883,338,000	994,176,000	1,058,013,000	1,103,596,000	1,139,179,000
Capital Financing Requirement	631,614,000	630,307,000	765,128,000	903,469,000	1,016,552,000	1,081,268,000	1,126,162,000	1,160,064,000

*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.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Gross Capital Expenditure							
Composite Programme	90,702,000	173,549,000	173,708,000	140,089,000	83,252,000	66,395,000	54,928,000
HRA Programme	14,617,000	17,299,000	15,983,000	13,886,000	20,085,000	16,044,000	16,500,000
Total Gross Capital Expenditure	105,319,000	190,848,000	189,691,000	153,975,000	103,337,000	82,439,000	71,428,000

4 Estimate of Capital Financing Requirement

The estimate (as at February 2022) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Capital Financing Requirement							
Composite Programme	45,007,000	135,251,000	136,121,000	119,105,000	65,856,000	48,780,000	37,313,000
HRA Programme	12,396,000	14,685,000	13,338,000	10,557,000	16,125,000	11,765,000	12,000,000
Movement in Estimated Capital Financing Requirement	57,403,000	149,936,000	149,459,000	129,662,000	81,981,000	60,545,000	49,313,000

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5 External Debt (Gross and Net)

External Borrowing	As at 17-Feb-22	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
Public Works Loan Board	568,000,000	568,000,000	575,000,000	720,000,000	837,000,000	907,000,000	957,000,000	997,000,000
Market Bonds (LOBOs)	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Project Borrowing	140,000	140,000	140,000	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
Temporary Loans/Other Borrowing	3,506,331	3,300,000	3,000,000	2,700,000	2,500,000	2,300,000	2,300,000	2,300,000
Other Long Term Liabilities (PPP/PFI)	127,612,548	127,194,346	121,231,770	115,269,194	109,306,618	103,344,043	98,926,869	94,509,695
Total Gross External Debt	744,628,132	744,003,600	744,741,024	883,338,448	994,175,872	1,058,013,297	1,103,596,123	1,139,178,949
Short Term Investments	(266,073,842)	(230,000,000)	(130,000,000)	(80,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)
Long Term Investments	0	0	0	0	0	0	0	0
Total Net External Debt	478,554,290	514,003,600	614,741,024	803,338,448	944,175,872	1,008,013,297	1,053,596,123	1,089,178,949
Note:								
Operational Boundary	745,000,000	744,000,000	745,000,000	883,000,000	994,000,000	1,058,000,000	1,104,000,000	1,139,000,000
Authorised Limit	900,000,000	900,000,000	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.

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

Fixed Rate Borrowing Maturity Structure	Lower Limit	Upper Limit	Estimated
Under 12 months	0%	35%	1.89%
over 12 months and < 24 months	0%	35%	1.48%
over 2 years and < 5 years	0%	50%	5.94%
over 5 years and < 10 years	0%	75%	7.20%
over 10 years	10%	95%	83.48%

The maturity profile for the Council's current long-term portfolio as at February 2022, 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	8,000,000	5,000,000	23,000,000	27,500,000	5,000,000	0	40,500,000	459,000,000	0	568,000,000
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	5,962,576	5,962,576	20,759,499	25,664,807	65,483,599	3,361,289	0	0	0	127,194,346
Total	13,962,576	10,962,576	43,899,499	53,164,807	70,483,599	16,361,289	65,700,000	464,000,000	0	738,534,346
Percentage	1.89%	1.48%	5.94%	7.20%	9.54%	2.22%	8.90%	62.83%	0.00%	100.00%