

**PERTH AND KINROSS COUNCIL**  
**PRUDENTIAL INDICATORS - QUARTER ENDING 31 MARCH 2021**

**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.

	2020/21	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%	15.00%
Estimated Ratio of Financing Costs to Revenue	7.61%	7.43%	7.63%	8.16%	8.31%	8.45%	8.43%	8.17%	8.00%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	23.00%	23.17%	22.61%	22.39%	21.61%	21.17%	21.07%	21.46%	23.00%

**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-21	Actual as at 31-Mar-21	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	Projected 31-Mar-29
Net External Borrowing*	482,842,000	482,842,000	552,586,000	703,597,000	822,618,000	849,574,000	864,731,000	869,887,000	865,043,000	867,699,000
Gross External Borrowing*	719,509,000	719,509,000	652,586,000	753,597,000	852,618,000	879,574,000	894,731,000	899,887,000	895,043,000	897,699,000
Capital Financing Requirement	600,829,000	600,829,000	669,243,000	772,034,000	872,916,000	900,360,000	913,992,000	922,106,000	928,428,000	935,987,000

\*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	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current estimate	45,851,000	126,398,000	161,321,000	124,693,000	49,891,000	31,716,000	29,343,000	26,702,000	27,870,000
Original Budget Estimate (including Budget Motion)	100,301,000	156,892,000	150,235,000	52,881,000	32,058,000	31,873,000	28,834,000	26,728,000	27,945,000
Movement in Estimated Capital Expenditure	(54,450,000)	(30,494,000)	11,086,000	71,812,000	17,833,000	(157,000)	509,000	(26,000)	(75,000)

The Original Budget Estimates are those per the 2020/21 to 2028/29 Composite Capital Budget Report on 25th March 2020.

The latest estimates for Capital Expenditure are based on 2020/21 Monitoring Report No.4 on 31 March 2021.

HRA Programme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current estimate	14,005,000	11,527,000	11,098,000	13,519,000	13,160,000	18,377,000	15,500,000	15,500,000	15,500,000
Original Budget Estimate	16,520,000	7,553,000	8,417,000	11,690,000	23,438,000	15,000,000	15,000,000	15,000,000	15,000,000
Movement in Estimated Capital Expenditure	(2,515,000)	3,974,000	2,681,000	1,829,000	(10,278,000)	3,377,000	500,000	500,000	500,000

The Original Budget Estimates are those per the 2020/21 Housing & Communities Budget Report on 29 January 2020.

The latest estimates for Capital Expenditure are based on 2020/21 Monitoring Report No.4 on 31 March 2021.

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**4 Estimate of Capital Financing Requirement**

The estimate (as at April 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	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current Estimated Capital Financing Requirement	19,926,000	74,721,000	109,803,000	106,411,000	32,996,000	14,573,000	11,728,000	9,087,000	10,255,000
Original Budget Estimate (including Budget Motion)	55,473,000	95,426,000	123,296,000	34,015,000	13,208,000	13,023,000	9,984,000	7,878,000	9,095,000
Movement in Estimated Capital Financing Requirement	(35,547,000)	(20,705,000)	(13,493,000)	72,396,000	19,788,000	1,550,000	1,744,000	1,209,000	1,160,000

The Original Budget Estimates are those per the 2020/21 to 2028/29 Composite Capital Budget Report on 25th March 2020.  
The latest estimates for Capital Expenditure are based on 2020/21 Monitoring Report No.4 on 31 March 2021.

HRA Programme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current Estimated Capital Financing Requirement	11,653,000	8,559,000	7,757,000	9,908,000	9,124,000	13,963,000	11,000,000	11,000,000	11,000,000
Original Budget Estimate	13,843,000	4,324,000	4,693,000	7,686,000	19,022,000	11,500,000	11,500,000	11,500,000	11,500,000
Movement in Estimated Capital Financing Requirement	(2,190,000)	4,235,000	3,064,000	2,222,000	(9,898,000)	2,463,000	(500,000)	(500,000)	(500,000)

The Original Budget Estimates are those per the 2020/21 Housing & Communities Budget Report on 29 January 2020.  
The latest estimates for Capital Expenditure are based on 2020/21 Monitoring Report No.4 on 31 March 2021.

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

External Borrowing	As at 31-Mar-21	As at 31-Mar-21	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	Projected 31-Mar-29
Public Works Loan Board	490,500,000	490,500,000	478,000,000	585,000,000	690,000,000	722,000,000	742,000,000	752,000,000	752,000,000	759,500,000
Market Bonds	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	43,200,000
Special Loans	2,169,216	2,169,216	2,169,216	2,169,216	2,169,216	2,169,216	2,169,216	2,169,216	2,169,216	2,169,216
Project Borrowing	140,000	140,000	140,000	140,000	0	0	0	0	0	0
Temporary Loans/Other Borrowing	51,834,039	51,834,039	2,950,000	2,500,000	2,200,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Other Long Term Liabilities	131,665,250	131,665,250	126,126,500	120,587,750	115,049,000	110,205,200	105,361,400	100,517,600	95,673,800	90,830,000
<b>Total Gross External Debt</b>	<b>719,508,505</b>	<b>719,508,505</b>	<b>652,585,716</b>	<b>753,596,966</b>	<b>852,618,216</b>	<b>879,574,416</b>	<b>894,730,616</b>	<b>899,886,816</b>	<b>895,043,016</b>	<b>897,699,216</b>
Short Term Investments	(191,666,511)	(191,666,511)	(100,000,000)	(50,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)
Long Term Investments	(45,000,000)	(45,000,000)	0	0	0	0	0	0	0	0
<b>Total Net External Debt</b>	<b>482,841,994</b>	<b>482,841,994</b>	<b>552,585,716</b>	<b>703,596,966</b>	<b>822,618,216</b>	<b>849,574,416</b>	<b>864,730,616</b>	<b>869,886,816</b>	<b>865,043,016</b>	<b>867,699,216</b>
<b>Note:</b>										
Operational Boundary	720,000,000	720,000,000	653,000,000	754,000,000	853,000,000	880,000,000	895,000,000	900,000,000	895,000,000	898,000,000
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	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 £45M 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%	2.71%
over 12 months and < 24 months	0%	35%	2.03%
over 2 years and < 5 years	0%	50%	5.76%
over 5 years and < 10 years	0%	75%	8.69%
over 10 years	10%	95%	80.80%

The maturity profile for the Council's current long-term portfolio as at 31 March 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	12,500,000	8,000,000	23,000,000	32,500,000	5,000,000	0	40,500,000	369,000,000	0	490,500,000
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0	43,200,000
PPP Liability	5,538,750	5,538,750	15,226,350	25,343,000	63,361,800	16,656,600	0	0	0	131,665,250
Other	0	0	140,000	0	0	0	0	0	0	140,000
<b>Total</b>	<b>18,038,750</b>	<b>13,538,750</b>	<b>38,366,350</b>	<b>57,843,000</b>	<b>68,361,800</b>	<b>29,656,600</b>	<b>65,700,000</b>	<b>374,000,000</b>	<b>0</b>	<b>665,505,250</b>
<b>Percentage</b>	<b>2.71%</b>	<b>2.03%</b>	<b>5.76%</b>	<b>8.69%</b>	<b>10.27%</b>	<b>4.46%</b>	<b>9.87%</b>	<b>56.20%</b>	<b>0.00%</b>	<b>100.00%</b>