

Exempt classification removed by Monitoring Officer 14.11.25

## Financial Appraisal

Capital Budget Required									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Whole life	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Construction and contingencies	465	730	0	0	0	0	0	0	1,195
Professional fees	180	0	0	0	0	0	0	0	180
<b>Total</b>	<b>645</b>	<b>730</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,375</b>
<b>Financed by:</b>									
Prudential borrowing	645	730	0	0	0	0	0	0	1,375
<b>Total</b>	<b>645</b>	<b>730</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,375</b>

Supplementary Estimate									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Whole life	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Original budget (CAB3014 refers)	1,000	0	0	0	0	0	0	0	1,000
New budget requirement	645	730	0	0	0	0	0	0	1,375
<b>Supplementary Estimate</b>	<b>(355)</b>	<b>730</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>375</b>

Revenue Consequences									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Whole life	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income	0	49	98	98	98	98	98	2,401	2,940
Expenditure (agent's fees and charges)	(16)	0	0	0	0	0	0	0	(16)
<b>Net surplus/(deficit)</b>	<b>(16)</b>	<b>49</b>	<b>98</b>	<b>98</b>	<b>98</b>	<b>98</b>	<b>98</b>	<b>2,401</b>	<b>2,924</b>
<b>Financing costs</b>									
Interest payments	0	(37)	(36)	(35)	(35)	(34)	(33)	(439)	(649)
Minimum Revenue Provision (MRP)*	0	0	(30)	(31)	(32)	(33)	(34)	(1,215)	(1,375)
<b>Net impact on the General Fund balance</b>	<b>(16)</b>	<b>12</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>747</b>	<b>900</b>

\*Borrowing need is reduced over the life of the asset by applying MRP annually from revenue

Net Present Value/(Cost) £000:

626

Discounted payback period:

19 years

Incremental Impact of Capital Investment Decisions*	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £
General Fund - equivalent to increase/(decrease) in annual band D Council Tax	0.33	(0.25)	(0.66)	(0.66)	(0.66)

\*This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax.

## Assumptions

<b>Appraisal period</b>	30 years	Estimated useful economic life
<b>Discount Factor</b>	2.70%	Estimated cost of capital
<b>Asset type</b>	Operational land and buildings	Economic regeneration
<b>Start date of project construction</b>	August 2018	
<b>End date of project</b>	September 2019	
<b>Income and Expenditure</b>	Current prices - assumes no inflation and that lease will extend	£98,000 per annum on a fully repairing lease
<b>Notional interest</b>	2.70%	Rate based on long term borrowing rates available to WCC
<b>Minimum Revenue Provision</b>	2.70% on annuity basis	As above; applied in the year following asset acquisition over estimated life

