

Financial Appraisal

Revised Capital Budget									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Whole life	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Demolition	115	0	0	0	0	0	0	0	115
Construction									
Detailed design, planning fees, transport assessment	6	17	0	0	0	0	0	0	
Construction	0	497	0	0	0	0	0	0	
EV charging point	0	10	0	0	0	0	0	0	530
Total	121	524	0	0	0	0	0	0	645
Financed by:									
Prudential borrowing	121	524	0	0	0	0	0	0	645
Total	121	524	0	0	0	0	0	0	645

Revised Revenue Consequences									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Whole life	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income	0	0	72	72	72	72	72	1,440	1,800
Expenditure	0	0	(18)	(18)	(18)	(18)	(18)	(360)	(450)
Net surplus/(deficit)	0	0	54	54	54	54	54	1,080	1,350
Financing costs									
Interest payments	0	(2)	(19)	(19)	(18)	(18)	(17)	(190)	(283)
Minimum Revenue Provision (MRP)*	0	0	(18)	(18)	(19)	(19)	(20)	(551)	(645)
Net impact on the General Fund balance	0	(2)	17	17	17	17	17	339	422

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

Net Present Value/(Cost) £000:

295

Discounted payback period:

15 years

Incremental Impact of Capital Investment Decisions*	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £
General Fund - equivalent to increase/(decrease) in annual band D Council Tax	0.05	(0.34)	(0.33)	(0.33)	(0.32)

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

Assumptions

Appraisal period	25 years	Estimated useful economic life
Discount Factor	3.00%	Estimated cost of capital
Asset type	Operational land and buildings	
Income	Based on approved increase to park & ride fees and 135 spaces	From 1 April 2021. Estimated to be complete earlier but income likely to be depressed due to Covid-19
Expenditure	Estimated business rates, maintenance, and management	No inflation applied Maintenance & management estimated at 15% of income
Notional interest	3.00%	Rate based on long term borrowing rates available to WCC including margin for prudence
Minimum Revenue Provision	3.00% on annuity basis	As above; applied in the year following asset acquisition over estimated life