

Financial Appraisal

Capital Budget									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Whole life	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Land drainage	150	0	0	0	0	0	0	0	150
Total	150	0	0	0	0	0	0	0	150
Financed by:									
Prudential borrowing	150	0	0	0	0	0	0	0	150
Total	150	0	0	0	0	0	0	0	150

Revenue Consequences									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Whole life	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income	0	0	0	0	0	0	0	0	0
Expenditure	0	0	0	0	0	0	0	0	0
Net surplus/(deficit)	0	0	0	0	0	0	0	0	0
Financing costs									
Interest payments	0	(5)	(5)	(5)	(4)	(4)	(3)	(54)	(80)
Minimum Revenue Provision (MRP)*	0	(3)	(3)	(3)	(4)	(4)	(5)	(130)	(152)
Net impact on the General Fund balance	0	(8)	(8)	(8)	(8)	(8)	(8)	(184)	(232)

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

Net Present Value/(Cost) £000:

(150)

Discounted payback period:

n/a

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	0.00	0.15	0.15	0.15	0.15

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

Assumptions

Appraisal period	30 years	Estimated useful economic life
Discount Factor	3.00%	Estimated cost of capital
Asset type	Infrastructure	
Income	n/a	n/a
Expenditure	Negligible	Minimal inspection and cleaning by special maintenance team
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