

Financial Appraisal - Alesford Car Park

Capital									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	To year 25	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Budget forecast									
Acquisition	1,005	0	0	0	0	0	0	0	1,005
Stamp duty	40	0	0	0	0	0	0	0	40
Signage, payment machines etc.	20	0	0	0	0	0	0	0	20
Total	1,065	0	0	0	0	0	0	0	1,065
Financed by:									
CIL - Community Infrastructure Levy	250	0	0	0	0	0	0	0	250
Developers' Contributions	385	0	0	0	0	0	0	0	385
Prudential borrowing	430	0	0	0	0	0	0	0	430
Total	1,065	0	0	0	0	0	0	0	1,065

Revenue Consequences									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	To year 25	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income	22	22	23	23	23	24	24	534	695
Expenditure (including any savings)	(4)	(4)	(5)	(5)	(5)	(5)	(5)	(107)	(139)
Net surplus/(deficit)	17	18	18	18	19	19	20	427	556
Financing costs									
Interest payments	(23)	(23)	(23)	(22)	(22)	(22)	(22)	(366)	(524)
Minimum Revenue Provision (MRP)*	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(77)	(93)
Net impact on the General Fund balance	(7)	(7)	(7)	(6)	(6)	(5)	(5)	(17)	(60)

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

Sensitivity

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	To year 25	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<i>Borrowing rates less 1% (4.3%)</i>									
Net impact on the General Fund balance	(4)	(3)	(3)	(3)	(2)	(2)	(1)	48	30
<i>Borrowing rates plus 1% (6.3%)</i>									
Net impact on the General Fund balance	(11)	(11)	(10)	(10)	(10)	(9)	(9)	(85)	(154)

Net Present Value/(Cost) £000:

(511)

Discounted payback period:

n/a

Incremental Impact of Capital Investment Decisions*	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
	£	£	£	£	£
General Fund - equivalent to increase/(decrease) in annual band D Council Tax	0.14	0.13	0.12	0.11	0.10

*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 of development
Discount Factor	5.30%	Based on prevailing borrowing rates
Asset type	Property Plant and Equipment - Land and	
Income	Based on 40 (minimum) spaces at £2 per space per day, 85% occupancy	Inflated annually by BOE target inflation rate of 2%
Expenditure	Estimated at 20% of gross income	
Notional interest	5.30%, 25 years, annuity basis	Rate based on long term borrowing rates available to WCC and timeframe of expected life of asset
Minimum Revenue Provision	5.30%, 50 years, annuity basis	As above; applied in the year and based on land maximum life under MRP guidance