

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 professional fees	64	140	1,171	0	0	0	0	0	1,375
Total	64	140	1,171	0	0	0	0	0	1,375
Financed by:									
Prudential borrowing	64	140	1,171	0	0	0	0	0	1,375
Total	64	140	1,171	0	0	0	0	0	1,375

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	0	0	66	98	98	98	2,581	2,941
Expenditure (agent's fees and charges)	0	0	(16)	0	0	0	0	0	(16)
Net surplus/(deficit)	0	0	(16)	66	98	98	98	2,581	2,925
Financing costs									
Interest payments	0	0	(23)	(44)	(44)	(43)	(42)	(594)	(789)
Minimum Revenue Provision (MRP)*	0	0	0	0	(28)	(28)	(29)	(1,290)	(1,375)
Net impact on the General Fund balance	0	0	(39)	22	27	27	27	697	761

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

Net Present Value/(Cost) £000:

362

Discounted payback period:

24 years

Incremental Impact of Capital Investment Decisions*	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £
General Fund - equivalent to increase/(decrease) in annual band D Council Tax	0.00	0.78	(0.43)	(0.53)	(0.52)

*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	3.30%	Estimated cost of capital
Asset type	Operational land and buildings	Economic regeneration
End date of project	June 2021	
Income and Expenditure	Current prices - assumes no inflation and that lease will extend	£98,000 per annum on a fully repairing lease
Notional interest	3.30%	Rate based on long term borrowing rates available to WCC including margin for prudence
Minimum Revenue Provision	3.30% on annuity basis	As above; applied in the year following asset acquisition over estimated life

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