

Financial Appraisal

Capital Budget Required									
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026-47 £000	Total £000
Repairs works	175	215	335	0	0	0	0	0	725
Total	175	215	335	0	0	0	0	0	725
Financed by (revised):									
Prudential borrowing	125	215	335	0	0	0	0	0	675
External contributions*	50	0	0	0	0	0	0	0	50
Total	175	215	335	0	0	0	0	0	725

* In original February 2019 budget, it was assumed that 50% of financing would be external.

Revised Revenue Consequences									
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026-47 £000	Total £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	(3)	(9)	(17)	(17)	(16)	(16)	(15)	(166)	(258)
Minimum Revenue Provision (MRP)**	0	(4)	(10)	(19)	(20)	(20)	(21)	(582)	(675)
Net impact on the General Fund (GF) balance	(3)	(12)	(27)	(36)	(36)	(36)	(36)	(748)	(933)
<i>February 2019 budget impact on the GF balance</i>	(2)	(8)	(15)	(19)	(19)	(19)	(19)	(400)	(502)
Increase in impact on the GF balance	(1)	(5)	(12)	(17)	(17)	(17)	(17)	(348)	(431)

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

Net Present Value/(Cost) £000:

(703)

Discounted payback period:

n/a

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	0.07	0.25	0.55	0.73	0.73

*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	2.60%	Estimated cost of capital
Asset type	Infrastructure	
Notional interest	2.60%	Rate based on long term borrowing rates available to WCC
Minimum Revenue Provision	2.60% on annuity basis	As above; applied in the year following asset acquisition over estimated life