

Financial Appraisal - Option 3

Capital Budget Required									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2027-2036	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Installation of EV chargers	0	120	0	0	0	0	0	0	120
Total	0	120	0	0	0	0	0	0	120
Financed by:									
Prudential borrowing	0	120	0	0	0	0	0	0	120
Total	0	120	0	0	0	0	0	0	120

Revenue Consequences									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2027-2036	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income (net)	0	0	4	8	13	18	25	250	317
Expenditure	0	0	0	0	0	0	0	0	0
Net surplus/(deficit)	0	0	4	8	13	18	25	250	317
Financing costs									
Interest payments	0	0	(4)	(4)	(4)	(4)	(3)	(18)	(36)
Minimum Revenue Provision (MRP)*	0	0	(6)	(6)	(7)	(7)	(7)	(87)	(120)
Net impact on the General Fund balance	0	0	(6)	(3)	2	8	15	146	161
Sensitivity - net impact at 50% income	0	0	(8)	(7)	(4)	(1)	2	21	2

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

Net Present Value/(Cost) £000:

129

Discounted payback period:

9 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	0.00	0.13	0.06	(0.04)

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

Assumptions

Appraisal period	15 years	Estimated useful economic life
Discount Factor	3.50%	Estimated cost of capital
Asset type	Plant & equipment	
Income and Expenditure	Based on estimated profit share	Increases over time as usage increases.
Interest	3.50%	Rate based on long term borrowing rates available to WCC
Minimum Revenue Provision	3.50% on annuity basis	As above; applied in the year following asset acquisition over estimated life