# AGENDA ITEM No.11

## EAST RENFREWSHIRE COUNCIL

### 1 March 2023

#### Report by Head of Accountancy (Chief Financial Officer)

#### SERVICE CONCESSION ARRANGEMENTS

#### PURPOSE OF REPORT

1. To seek approval to apply additional flexibility to the accounting treatment for Private Finance and similar contracts (referred to as Service Concession Arrangements) that were in place before 1 April 2022, in line with the Local Government circular 10/2022. Under such schemes the Council pays a contractor to build and maintain an asset typically for 25 to 30 years, with the asset fully transferring to the Council's ownership at the end of that period. In order to apply this flexibility, the decision must be taken to full Council for approval setting out the reason for the change. The submission to full Council must make explicit that this change is prudent, sustainable and affordable over the life of the asset.

#### RECOMMENDATION

2. It is recommended that in the current financial year, the Council approves the write off of the liability held in the Council's Balance sheet for its five Service Concession Arrangements (SCAs) over the lives of the assets instead of the lives of the contracts, in line with the Local Government finance circular 10/2022.

3. It is also recommended that Council notes the longer term implications of implementing this flexibility, including the affordability assessment outlined in para 13.

#### REPORT

4. The Local Government finance circular 10/2022 permits the option for Scottish Councils to apply flexibility to the accounting treatment for Service Concession Arrangements (SCAs) in place before 1 April 2022. The statutory guidance flexibility may be applied in either of the financial years 2022/23 or 2023/24 but permits retrospective application as an option.

- 5. The Council has five such schemes being
  - the St Ninian's HS/ Mearns PS PFI scheme;
  - the Williamwood HS/ Mearns Castle HS/ Woodfarm HS/ Carlibar PS PPP scheme;
  - the Barrhead HS hub scheme;
  - the M77/GSO Roads scheme (in conjunction with Scottish Government and South Lanarkshire Council); and
  - the Clyde Valley Waste Recycling Plant scheme (in conjunction with North Lanarkshire, East Dunbartonshire, North Ayrshire, and Renfrewshire Councils)

6. If this approach is adopted, it must be applied to all service concession arrangements, leases and similar arrangements except for such arrangements where the contract will expire within five years, where it may be applied.

7. The Council's budget currently provides for the repayment of the debt element of such schemes over the 25 to 30 year contract period. The new flexibility will allow this debt to be written off over the life of the asset (typically 50 years) rather than over the shorter contact period.

8. Authorities have the flexibility to apply the change in the calculation of the statutory charge in either 2022-23 or 2023-24. The adopted approach will apply to all such arrangements going forward, in line with the key accounting principle of consistency. There is an exception for schemes that have less than 5 years remaining; the Council has one such scheme (St Ninian's HS/Mearns PS) which will not be excluded from the application of this flexibility.

# FINANCE AND EFFICIENCY

9. The current repayment charges for each SCA have been compared against an Equal Instalments of Principal (EIP) repayment profile based on the estimated useful asset lives, similar to that of assets owned by the Council. At the 31 March 2022 the total long term liability relating to the SCAs was £78,711k. As the assets are subject to a repairs & maintenance regime it is anticipated that they will be in good condition when they transfer to Council ownership at the end of the contract period, which can be between 25 and 30 years, at which time they will not be at the end of their useful life. However should the assets useful life be less than that estimated by the Council's Estates service, any unpaid liability will be charged to the General Fund in the Council's annual accounts.

10. The table below shows the length of each contract along with the estimated asset useful life for each of the SCAs:

Service Concession	Length of contract	Asset Life					
Arrangement							
St Ninian's HS/ Mearns PS	25 years	50 Years					
PFI scheme							
Williamwood HS/ Mearns	25 years	50 years					
Castle HS/ Woodfarm HS/	,	5					
Carlibar PS PPP scheme							
Barrhead HS hub scheme	25 years	50 years					
M77/GSO Roads scheme	30 years	50 years					
Clyde Valley Waste	26 years	26 years					
Recycling Plant scheme							

11. The total cumulative adjustment up to 31 March 2022 which would result from changing the calculation of the repayment of the debt liability on the five SCAs, using a 50-year EIP for the schools and roads schemes and a 26-year EIP period in respect of the Clyde Valley Waste Recycling Plant, is £12.265m. This is broadly in line with the existing loans fund policy, reflecting that benefits from the SCAs can be achieved by better matching the debt costs to the expected useful lives of the assets, thereby repaying the cost of the debt across a longer period of time. This is a one-off in-year reduction and represents the excess amount paid to date as a result of calculating debt over the 25 to 30 year contract period rather than the longer asset life.

12. This does not change what we pay to the contractors in cash every year. This is simply about the accounting transactions to pay for the assets. Neither does it change the term over which we pay the contractors, it is just how we account for the repayment of the debt in the Council's Revenue Budget.

13. The reprofiling of the debt liability repayments would increase the Capital Financing Requirement (CFR), the Council's underlying need to borrow, by £12.265m as at 1 April 2022. This is not a cash benefit, but an accounting benefit and if the Council approves that the adjustment is made in the current financial year it will result in an increase to the General Fund unallocated reserve. The increase in the CFR will continue to be reduced by the revised repayments after each SCA contract has expired until the end of the revised period.

14. In the financial years from now until the expiry of each contract, the proposed changes will result in the Council's annual debt liability for these schemes reducing. On average, this will be around £3m per year for 10 years beginning with the current year. Following the end of each scheme's contract period, the proposed changes will result in the Council continuing to make debt repayments until the end of the asset's expected life. These continuing debt payments will peak at £2.6m per annum and, together with the ongoing running costs of these facilities, can be funded from the existing combined budgets for these schemes after the end of their contract periods. The additional revenue budget pressure arising from the lengthening of the repayment period can therefore be managed within the current budget available. The full repayment profiles are provided in detail for each SCA in Appendix A.

15. Over the full life of the SCAs the total repayment for the debt liability remains the same.

16. The Council's Loans Fund repayment policy for 2022/23 confirms that this methodology is already applied by the Council. The use of an EIP method for the writing down of the PPP debt liability therefore ensures a consistent approach for the writing down of all debt which is financing capital expenditure.

17. The Chief Financial Officer has included the financial implications of this flexibility within the context of the Council's medium/ long term plan and considered its application to be:

- **Affordable** Ongoing costs of repaying debt after the end of the SCA contracts are affordable from the net PPP budget.
- **Prudent** The approach better matches the costs of repaying debt to the useful life of the asset, and
- **Sustainable** The generation of the retrospective benefit helps to sustain the Council's budget for a period of time

18. The accounting entries for the cumulative difference in the statutory repayment of debt will be a debit to the Capital Adjustment Account and a credit to the General Fund to recognise the reduction in the cumulative charge to the General Fund of the statutory repayment of debt and a corresponding increase in the balance of the Capital Adjustment Account (which will increase the Capital Financing Requirement). This will be reported in the Movement in Reserves Statement.

19. Specific financial statement disclosures will be required within the Council's Annual Accounts which are not yet drafted and will be subject to review and discussion with the Council's external auditors. However, the external auditors have reviewed our approach to this new flexibility and agreed with the principles of application.

# RECOMMENDATION

20. It is recommended that the Council approves the application, in the current financial year, to write off the liability held in the Council's Balance sheet for its five Service Concession Arrangements (SCAs) over the lives of the assets instead of the lives of the contracts, in line with the Local Government finance circular 10/2022.

21. It is also recommended that Council notes the longer term implications of implementing this flexibility, including the affordability assessment outlined in para 13.

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Back Ground papers – Local Government finance circular 10/2022

# Total proposed rescheduling model

brain     provent		PPI	P (2005/06, £	56m, 27 year	s)	PF	FI (2001/02, £	14m, 25 years	5)	Hu	bs (2018/19,	£22m, 26 yea	Roa	ids (2005/06,	£35m, 31 yea	rs)	Clyde	valley (2019						
N     Prime     Derive     Derive    Derive     Derive		CurrentPrincipal repayments based on simpleposition50 year EIP			CurrentPrincipal repayments based on simple position50 year EIP			d on simple	e Current Principal repayments based on simple position 50 year EIP			e Current Principal repayments based on simple 50 year EIP			Current Principal repayments based on simple 50 year EIP				e Current Principal repayments based on simp position 26 year EIP			l on simple		
0     9     20200     2030     2.38     0.114     0.120     0.200     0.34     0.14     0	Year PPP principal repayments	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Total (reduction) /cost £000	Total NPV £000	
1     22.33     1.11     (1.24)     (1.24)     (1.25)     1.50     2.69     (1.14)     (1.27)     (1.26)     2.69     (1.16)     2.59     (1.14)     (1.13)     (1.30)     2.69     (1.14)     (1.13)     (1.14)     (1.14)     (1.33)     1.00     2.89     (1.16)     (1.16	0 pre 2022/23	24,508	18,945	(5,562)	(5,562)	9,679	5,964	(3,715)	(3,715)	2,691	2,231	(461)	(461)	14,657	11,988	(2,668)	(2,668)	200	341	141	141	(12,265)	(12,265)	
2     323243     2.00     1.14     (1.40)	1 2022/23	2,358	1,114	(1,244)	(1,202)	1,058	284	(774)	(748)	618	446	(172)	(166)	1,090	705	(385)	(372)	87	114	27	26	(2,547)	(2,461)	
3     3	2 2023/24	2,593	1,114	(1,479)	(1,380)	964	284	(680)	(635)	586	446	(140)	(131)	1,138	705	(433)	(404)	86	114	28	26	(2,704)	(2,525)	
4   22329   2.473   1.14   (1.14)   (1.22)   2.244   (1.26)   (1.15)   (	3 2024/25	2,597	1,114	(1,483)	(1,338)	1,207	284	(923)	(832)	547	446	(101)	(91)	1,142	705	(436)	(394)	74	114	40	36	(2,903)	(2,618)	
b     b<	4 2025/26	2,733	1,114	(1,618)	(1,410)	1,292	284	(1,008)	(878)	578	446	(132)	(115)	1,154	705	(449)	(391)	66	114	48	42	(3,159)	(2,753)	
b     0	5 2026/27	2,877	1,114	(1,762)	(1,484)		284	284	239	581	446	(135)	(114)	1,293	705	(588)	(495)	105	114	9	8	(2,192)	(1,846)	
Jandarg     Jandarg <t< th=""><th>6 2027/28</th><th>3,279</th><th>1,114</th><th>(2,164)</th><th>(1,761)</th><th></th><th>284</th><th>284</th><th>231</th><th>630</th><th>446</th><th>(184)</th><th>(150)</th><th>1,305</th><th>705</th><th>(600)</th><th>(488)</th><th>106</th><th>114</th><th>/</th><th>6</th><th>(2,657)</th><th>(2,162)</th></t<>	6 2027/28	3,279	1,114	(2,164)	(1,761)		284	284	231	630	446	(184)	(150)	1,305	705	(600)	(488)	106	114	/	6	(2,657)	(2,162)	
b     b     c	7 2028/29 9 2020/20	3,860	1,114	(2,746)	(2,158)		284	284	223	6/0	446	(230)	(181)	1,618	705	(913)	(717)	111	114	3	2	(3,602)	(2,831)	
10   2312   1.114   (114)   (11	9 2029/30	4,190	1,114	(3,075)	(2,333)		204	204	210	727	440	(243)	(105)	1,705	705	(1 065)	(739)	94	114	20	11	(4,014)	(3,048)	
11   2023   114   714   715   244   249   1495   715   (1.28)   (85)   15   114   50   705   (1.28)   (85)   15   114   50   705   (1.28)   (85)   15   114   50   705   (1.17)   705   (1.18)   705   (1.18)   705   (1.18)   705   114   50   205   (1.18)   705   (1.18)   705   114   60   205   (1.18)   705   705   423   705   705   423   705   705   423   705   705   423   705   705   423   705   705   423   705	10 2031/32	2 312	1,114	(1,197)	(849)		284	284	200	785	446	(339)	(240)	2 118	705	(1,000)	(1 002)	17	114	97	69	(2,568)	(1,821)	
12   23334   1114   1114   714   78   284   284   182   103   2473   79   70   1147   775   59   114   64   69   191     13   204356   1114   1114   686   284   284   175   115   446   170   115   206   705   541   123   116   175   446   176   203   705   547   154   116   175   446   178   705   547   154   116   117   175   446   178   175   547   154   156   467   175   471   128   203   116   114   114   610   228   284   168   173   468   1691   670   705   307   114   114   114   114   610   284   284   168   1169   705   705   307   114   114   114   114   114   114   114   114   114   114   114   114   114   114   114	11 2032/33	2,012	1,114	1.114	763		284	284	195	854	446	(408)	(279)	1.993	705	(1,288)	(882)	12	114	102	70	(196)	(134)	
13   204405   1114   1114   713   224   224   12   1.0.37   446   (69)   (79)   1.99   1.14   (28)   (29)   1.15   446   (69)   (43)   203   705   500   320   114   (16)   (11)   1.15   446   (69)   (43)   203   705   706   420   114   (16)   (10)   1.375     15   203037   1114   1.114   653   224   224   224   123   446   (709)   (43)   705   706   420   114   (16)   (10)   1.375     16   203039   1114   1.114   620   224   224   153   1.50   446   (1050)   (75)   706   303   116   (17)   (29)   1.105   1.38   234   24	12 2033/34		1,114	1,114	738		284	284	188	937	446	(490)	(325)	2,179	705	(1,474)	(975)	59	114	54	36	(511)	(338)	
14   2039369   1.114   1.114   668   224   224   1.155   1.165<	13 2034/35		1,114	1,114	713		284	284	182	1.037	446	(591)	(378)	1.892	705	(1,187)	(759)	139	114	(25)	(16)	(405)	(259)	
15   203637   1.14   1.14   1.14   0.66   284   284   170   1.56   446   (709)   (42)   705   705   421   132   114   (10)   (10)   1.376     16   203738   1.114   1.114   0.114	14 2035/36		1,114	1,114	688		284	284	175	1,115	446	(669)	(413)	205	705	500	309	148	114	(35)	(21)	1,195	738	
16   203738   1114   1.114   643   284   284   164   1783   (478)   705   705   705   104   114   (51)   (29)   1.164     17   2033940   11.14   1.114   600   284   284   153   1.164   (104)   (58)   705   380   1.14   1.14   (27)   (15)   992     19   204074   1.114   1.114   600   284   284   1.16   (116)   (60)   705   380   1.14   (14)   (27)   (40)   983     20   204142   1.114   1.114   610   284   284   1.13   (46)   (163)   (78)   705   387   183   114   (16)   (31)   1.42     21   204243   1.114   1.114   1.114   1.114   23   284   124   144   (48)   705   705   330   155   114   (41)   (41)   (41)   (41)   (41)   (41)   (41)   (41)   (41)   (41)   (41)	15 2036/37		1,114	1,114	665		284	284	170	1,155	446	(709)	(423)		705	705	421	132	114	(18)	(11)	1,376	821	
17   2030/39   1114   1.114   6.24   2.24   1.58   1.307   4.46   (0.104)   (5.30)   7.05 <th>16 2037/38</th> <th></th> <th>1,114</th> <th>1,114</th> <th>643</th> <th></th> <th>284</th> <th>284</th> <th>164</th> <th>1,234</th> <th>446</th> <th>(788)</th> <th>(454)</th> <th></th> <th>705</th> <th>705</th> <th>407</th> <th>164</th> <th>114</th> <th>(51)</th> <th>(29)</th> <th>1,265</th> <th>730</th>	16 2037/38		1,114	1,114	643		284	284	164	1,234	446	(788)	(454)		705	705	407	164	114	(51)	(29)	1,265	730	
18   2031/40   1114   1114   000   284   153   153   153   160   (684)   705   380   141   114   (77)   (19)   992     20   1114   1114   1114   580   284   188   1613   446   (117)   (607)   705   367   354   202   114   (168)   (44)   745     21   204743   1,114   1,114   1,114   503   284   1,28   1,116   (167)   (70)   705   354   202   114   (168)   (44)   745     22   204744   1,114   1,114   503   284   29   446   446   209   705   705   331   252   114   (109)   355   259     23   204476   1,114   1,114   488   284   12   446   446   195   705   705   298   114   (110)   35   255     24447   1,114   1,114   445   284   102   446   446   176	17 2038/39		1,114	1,114	621		284	284	158	1,397	446	(951)	(530)		705	705	393	165	114	(51)	(29)	1,101	614	
19   2040/41   1114   1114   550   284   284   148   1.1613   446   (1,167)   607   705   367   101   114   (1,77)   (40)   859     21   2042/43   1114   1.114   550   284   28   135   600   446   (1,67)   (70)   575   332   202   114   (168)   (69)   (33)   1872     22   2042/43   1,114   1,114   550   284   28   446   (163)   (79)   705   331   222   114   (168)   (49)   2,442     22   2044/43   1,114   1,114   486   284   284   446   446   202   705   705   331   222   114   (168)   (49)   2,442     24   2045/46   114   1,114   447   284   284   124   446   446   189   705   705   339   28   164   2,550     25   2045/70   1,114   1,114   1,114   447   24 <th>18 2039/40</th> <th></th> <th>1,114</th> <th>1,114</th> <th>600</th> <th></th> <th>284</th> <th>284</th> <th>153</th> <th>1,530</th> <th>446</th> <th>(1,084)</th> <th>(584)</th> <th></th> <th>705</th> <th>705</th> <th>380</th> <th>141</th> <th>114</th> <th>(27)</th> <th>(15)</th> <th>992</th> <th>534</th>	18 2039/40		1,114	1,114	600		284	284	153	1,530	446	(1,084)	(584)		705	705	380	141	114	(27)	(15)	992	534	
120   2041/42   11,14   11,14   56   284   284   1,16   1,170   66.89   765   765   334   202   114   (69)   (40)   745     12   2043/4   1,114   1,114   514   24   28   133   600   446   (163)   770   705   705   331   222   114   (08)   (10)   2,442     23   2044/45   1,114   1,114   505   284   224   129   446   446   202   705   705   320   155   114   (11)   (11)   (11)   447   246   424   146   446   446   100   705   705   320   155   141   (11)   (11)   447   248   244   120   446   446   180   705   705   280   160   160   235   245   245   245   245   245   246   246   146   166   176   705   280   160   160   235   245   160   245   245	19 2040/41		1,114	1,114	580		284	284	148	1,613	446	(1,167)	(607)		705	705	367	191	114	(77)	(40)	859	447	
1   1,114   1,114   1,114   541   284   <	20 <b>2041/42</b>		1,114	1,114	560		284	284	143	1,716	446	(1,270)	(638)		705	705	354	202	114	(88)	(44)	745	375	
122   2043/4   1,114   1,114   523   224   224   433   446   446   202   705   705   331   222   114   (108)   (51)   2,442     24   2045/46   1,114   1,114   408   284   284   426   446   446   202   705   705   329   0   14   (41)   (41)   (41)   (41)   (41)   446   446   446   189   705   705   228   0	21 2042/43		1,114	1,114	541		284	284	138	609	446	(163)	(79)		705	705	342	183	114	(69)	(33)	1,872	909	
12.3   2044/5   1,114   1,114   1,114   1,114   1,114   505   228 <th>22 <b>2043/44</b></th> <th></th> <th>1,114</th> <th>1,114</th> <th>523</th> <th></th> <th>284</th> <th>284</th> <th>133</th> <th></th> <th>446</th> <th>446</th> <th>209</th> <th></th> <th>705</th> <th>705</th> <th>331</th> <th>222</th> <th>114</th> <th>(108)</th> <th>(51)</th> <th>2,442</th> <th>1,146</th>	22 <b>2043/44</b>		1,114	1,114	523		284	284	133		446	446	209		705	705	331	222	114	(108)	(51)	2,442	1,146	
24 2045/46   1,114   1,114   1,114   4.48   2.26   2.44   4.46   4.46   1.95   7.05   7.05   2.98   0   0   2.550     25 2046/7   1,114   1,114   4.17   4.26   2.24   2.24   1.16   4.46   4.46   1.82   7.05   7.05   2.28   0   0   2.550     26 2047/47   1.114   1.114   4.40   2.24   2.44   4.46   4.46   1.82   7.05   7.05   2.28   0   0   2.550     28 2047.50   1.114   1.114   4.40   2.24   2.24   1.12   4.46   4.46   1.70   7.05   7.05   2.29   0   0   2.550	23 <b>2044/45</b>		1,114	1,114	505		284	284	129		446	446	202		705	705	320	155	114	(41)	(19)	2,509	1,137	
25   2046/47   1,114   1,114   1,114   472   284   120   446   446   189   705   705   298   0   0   2,550     26   1,114   1,114   446   284   284   116   446   446   176   705   705   288   0   0   2,550     27   2048/49   1,114   1,114   440   284   284   112   446   446   170   705   705   289   0   0   2,550     28   2049/50   1,114   1,114   441   284   284   105   446   446   170   705   705   280   0   0   2,550     20   205/52   1,114   1,114   311   284   284   105   446   446   154   705   705   281   0   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,	24 <b>2045/46</b>		1,114	1,114	488		284	284	124		446	446	195		705	705	309					2,550	1,117	
26   2047/48   1,114   1,114   1,114   1,114   1,114   1,114   1,114   1,114   1,114   440   284   284   112   446   446   176   705   705   228   279   0   0   2,550     27   2048/49   1,114   1,114   1,114   440   284   284   108   446   446   170   705   705   229   0   0   2,550   2,550     28   2050/51   1,114   1,114   411   284   284   105   446   446   165   705   705   229   0   0   2,550     30   2051/52   1,114   1,114   337   0   0   446   446   154   705   705   223   0   0   2,266   2,266   2,266   2,266   2,33   0   0   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266   2,266 <th>25 <b>2046/47</b></th> <th></th> <th>1,114</th> <th>1,114</th> <th>472</th> <th></th> <th>284</th> <th>284</th> <th>120</th> <th></th> <th>446</th> <th>446</th> <th>189</th> <th></th> <th>705</th> <th>705</th> <th>298</th> <th></th> <th></th> <th></th> <th></th> <th>2,550</th> <th>1,079</th>	25 <b>2046/47</b>		1,114	1,114	472		284	284	120		446	446	189		705	705	298					2,550	1,079	
27   2043/49   1,114   397   0	26 <b>2047/48</b>		1,114	1,114	456		284	284	116		446	446	182		705	705	288					2,550	1,042	
2b   2049/90   1,114   3,17   1   2,26   1,114   1,114   3,17   1   2,26   1,114   1,114   3,17   2,26<	27 2048/49		1,114	1,114	440		284	284	112		446	446	176		705	705	279					2,550	1,007	
25 2050/51   1,114   1,114   1,114   1,114   1,114   1,114   1,114   1,114   1,114   1,114   1,114   1,114   1,114   1,114   1,114   1,114   3,07   1,114	28 2049/50		1,114	1,114	425		284	284	108		446	446	1/0		705	705	269					2,550	973	
30   205/32   1,114   1,114   1,114   3,14   1,114   1,114   3,14   1,114   1,114   3,14   1,114   1,114   3,14   1,114   1,114   3,14   1,114   1,114   3,14   1,114   1,114   3,14   1,114   3,14   1,114   1,114   3,14   1,114   1,114   3,14   1,114   1,114   3,14   1,114   1,114   3,14   1,114   1,114   3,14   1,114   1,114   3,14   1,114   1,114 <td< th=""><th>29 2050/51</th><th></th><th>1,114</th><th>1,114</th><th>411</th><th></th><th>284</th><th>284</th><th>105</th><th></th><th>446</th><th>446</th><th>165</th><th></th><th>705</th><th>705</th><th>260</th><th></th><th></th><th></th><th></th><th>2,550</th><th>940</th></td<>	29 2050/51		1,114	1,114	411		284	284	105		446	446	165		705	705	260					2,550	940	
31   2053/53   1,114   1,114   3.04   148   446   446   1705   705   243   0   2,266     32   2053/54   1,114   1,114   3.71   0   446   446   148   705   705   225   0   2,266     33   2053/54   1,114   1,114   3.78   0   446   446   148   705   705   227   0   0   2,266     34   2055/56   0	30 2051/52		1,114	1,114	397						446	446	159		705	705	251					2,200	807 790	
32   2053/54   1,114   1,114   3/1   3/1   1/14   3/1   1/14   3/1   1/14   3/1   1/14   3/1   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/1   1/14   1/14   3/14   1/14   3/14   1/14   3/14   1/14   3/14   1/14   3/14   1/14   3/14   1/14   1/14   3/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14   1/14	31 2052/53		1,114	1,114	304						440	440	104		705	705	243					2,200	780	
32 205/36   33 205/36   36 3 201 (11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	32 2053/54		1,114	1,114	358						440	440	140		705	705	233					2,200	734	
35   205/30   0 </th <th>3/ 2055/56</th> <th></th> <th>1,114</th> <th>1,114</th> <th>550</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th>440</th> <th>440</th> <th>140</th> <th></th> <th>705</th> <th>105</th> <th>221</th> <th></th> <th></th> <th></th> <th></th> <th>2,200</th> <th>120</th>	3/ 2055/56		1,114	1,114	550						440	440	140		705	105	221					2,200	120	
36 2057/58 6 6 7 100 100 100 100   37 2058/59 0 <	35 2056/57										440	440	139									440	139	
37 2058/59 38 2059/60 34 446 446 125 446 446   38 2059/60 40 446 446 121 446 446 446   39 2060/61 446 446 446 117 446 446 446	36 2057/58										440	440	129									440	129	
38 2059/60 <	37 2058/59										446	446	125									446	125	
39 2060/61 446 446 117 446 446	38 2059/60										446	446	121									446	121	
	39 2060/61										446	446	117									446	117	
40 <b>2061/62</b> 446 113 <b>446</b>	40 2061/62										446	446	113									446	113	

		PPP (2005/06, £56m, 27 years)					FI (2001/02, £	214m, 25 year	rs)	Hu	bs (2018/19,	£22m, 26 yea	ars)	Roa	ads (2005/06	6, £35m, 31 ye	ears)	Clyd	evalley (201	years)			
		Current position	virrent Principal repayments based on simple 50 year EIP			Current position	Principal rep	ayments base 50 year EIP	d on simple	Current position	Principal rep	ayments base 50 year EIP	d on simple	Current position	Principal re	payments base 50 year EIP	ed on simple	Current position	Principal re	payments base 26 year EIP	ed on simple		
Year	PPP principal repayments	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Total (reduction) /cost £000	Total NPV £000
41	2062/63										446	446	109									44	10
42	2063/64										446	446	105									44	10
43	2064/65										446	446	102									44	10
44	2065/66										446	446	98									44	9
45	2066/67										446	446	95									44	9
46	2067/68																						
47	2068/69																						
48	2069/70																						
49	2070/71																						
50	2071/72																						
	Total	55,722	55,722		(9,560)	14,200	14,200		(2,730)	22,307	22,307		(3,270)	35,259	35,259		(4,807)	2,958	2,958		17		(20,188

	PP	PPP (2005/06, £56m, 27 years) PFI (2001/02, £14m, 25 years) Hubs (2018/19, £22m, 26 years)								rs)	Roa	ds (2005/06,	£35m, 31 yea	ars)									
																	Clydevalley (2019/20, £3m, 26 years)						
	Current Principal repayments based on simple position 50 year EIP			Current Principal repayments based on sim position 50 year EIP			d on simple	Current position	Principal rep	ayments base 50 year EIP	d on simple	Current position	Principal rep	ayments base 50 year EIP	d on simple	Current position	Principal rep	ayments base 50 year EIP	d on simple	Current position	Principal rep	ayments based 26 year EIP	d on simple
PPP principal repayments	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000			
pre 2022/23	24,508	18,945	(5,562)	(5,562)	9,679	5,964	(3,715)	(3,715)	2,691	2,231	(461)	(461)	14,657	11,988	(2,668)	(2,668)	200	341	141	141			
2022/23	2,358	1,114	(1,244)	(1,202)	1,058	284	(774)	(748)	618	446	(172)	(166)	1,090	705	(385)	(372)	87	114	27	26			
Yrs 2 to 5	10,800	4,458	(6,342)	(5,612)	3,463	1,136	(2,327)	(2,106)	2,293	1,785	(508)	(451)	4,727	2,821	(1,906)	(1,684)	331	455	124	111			
Yrs 6 to 10	18,056	5,572	(12,484)	(9,525)		1,420	1,420	1,080	3,507	2,231	(1,277)	(961)	8,516	3,526	(4,990)	(3,748)	427	569	142	103			
Yrs 11 to 25		16,717	16,717	9,099		4,260	4,260	2,319	13,198	6,692	(6,505)	(3,915)	6,269	10,578	4,308	1,614	1,914	1,479	(434)	(202)			
Yrs 26 to 40		8,916	8,916	3,242		1,136	1,136	441		6,692	6,692	2,174		5,641	5,641	2,051							
Yrs 41 to 50										2,231	2,231	509											
Total	55,722	55,722		(9,560)	14,200	14,200	()	(2,730)	22,307	22,307		(3,270)	35,259	35,259		(4,807)	2,958	2,958		179			