

Scheme Funding Using Prudential Borrowing

The Local Government Act 2003 introduced new freedoms and flexibilities for local authorities. One of the new powers allowed local authorities was to borrow for investment in capital works and assets so long as the cost of that borrowing was affordable and was in line with principles set out in the professional Prudential Code, endorsed by the Chartered Institute of Public Finance and Accountancy.

Energy efficiency measures with annual savings that more than outweigh the annual debt repayments can meet the Prudential Code.

Possible Salix Scheme for T8 to T5 Adaptors

£1m from Carbon Trust + £1m from our borrowing = £2m scheme

Annual savings @ average 4 year payback = £500,000/annum

Repayment to Carbon Trust/Salix = £200,000/annum

25% of savings kept by clients = £125,000/annum

Debt and interest on £1m over 15 years = £96,500/annum
£421,500/annum

Possible net saving to the centre £78,500/annum

After repayment of the £1m to the Carbon Trust (5 years), we would still need the client to service the debt charges on the £1m @ £96,500/annum (effectively 20% of savings).

The adaptors last 50,000 hrs (16 years @ 3,000 hrs/annum) and they will enhance the tube life.