

## APPENDIX E – FUNDING DETAILS & HISTORY

History of funding approvals (all in £m)	Cabinet 18 Jan 2017 (KD4266/4035)				Cabinet 11 Sep 2019 (KD4642)			This report				EY review			
	Tr1	Tr2	BEF	Total	Tr1	Tr2A	APPROVED	Tr1	Tr2A	APPROVED	Expansion (G+Y)	PROPOSED	Tr1+2A	Expansion (G+Y)	PROPOSED
PWLB	3.0	35.8	4.0	42.8	3.0		3.0	3.0	0.2	3.2	25.1	28.4	23.0	22.0	45.0
European Inv Bank	6.0			6.0	6.0		6.0	6.0		6.0		6.0	6.0		6.0
LEEF	6.0			6.0	6.0		6.0	6.0		6.0		6.0	6.0		6.0
GLA Hsg Zone	0.0	3.7		3.7	0.0		0.0	0.0		0.0		0.0	0.0		0.0
MEEF	0.0			0.0	0.0	15.0	15.0	0.0	15.0	15.0		15.0	0.0		0.0
HNIP	0.0			0.0	0.0	10.0	10.0	0.0	9.8	9.8	11.9	21.6	9.8	12.0	21.8
<b>BORROWING</b>	<b>15.0</b>	<b>39.5</b>	<b>4.0</b>	<b>58.5</b>	<b>15.0</b>	<b>25.0</b>	<b>40.0</b>	<b>15.0</b>	<b>25.0</b>	<b>40.0</b>	<b>37.0</b>	<b>77.0</b>	<b>44.8</b>	<b>34.0</b>	<b>78.8</b>
<b>GRANT (HNIP)</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>		<b>5.0</b>	<b>5.0</b>		<b>5.0</b>	<b>5.0</b>	<b>12.0</b>	<b>17.0</b>	<b>5.0</b>	<b>12.0</b>	<b>17.0</b>
<b>COUNCIL FUNDING TOTAL</b>	<b>15.0</b>	<b>39.5</b>	<b>4.0</b>	<b>58.5</b>	<b>15.0</b>	<b>30.0</b>	<b>45.0</b>	<b>15.0</b>	<b>30.0</b>	<b>45.0</b>	<b>49.0</b>	<b>94.0</b>	<b>49.8</b>	<b>46.0</b>	<b>95.8</b>

[Note 1]

[Note 2]

### Capital programme

Approved 2022/23 £16m  
& 2023/24 £16m

Request increase - funded from borrowing

Request increase - funded from grant already received

Revised

32.0

5.0

[Note 3]

12.0

49.0

### Notes & abbreviations

MEEF = Mayor's Energy Efficiency Fund (1.09% 20 yrs)

LEEF = London Energy Efficiency Fund

EIB = European Investment Bank

HNIP = Heat Network Investment Programme (0.25% 25 yrs)

BEF = Business Expansion Fund

Tr = Tranche

Expansion (G+Y) = Green & Yellow line expansion requested in report

**[Note 1]** Additional request £7.25m made, funded from borrowing, generating total £52.3m, not approved

**[Note 2]** Differences between Council approvals & proposals and EY review due to the way in which EY carried out the review which required the amalgamation of several financial models and revision of assumptions to eliminate inconsistencies.

[Note 3] HNIP grant received financial year 2020/21, repayable 31st July 2021 if extension proposal not approved

Table below shows metrics from reports submitted by Energetik. Main reason for changes between versions is due to timing and estimates of costs and inflation. Inconsistencies against EY metrics are due primarily to a EY having to dismantle then reconstitute seven separate models supplied by Energetik using consistent assumptions and in line with best practice. Reliance has been placed on the reconstituted models and results supplied by EY which although not a Due Diligence exercise does reflect best practice and is a requirement of the Directors of Energetik moving forward.

<b>Tranches 1 &amp; 2 metrics (source : Energetik)</b>	18 Jan 2017 (KD4266/4035)	11 Sep 2019 (KD4642) <i>2017 as restated</i>	11 Sep 2019 (KD4642)	Appx B Business Plan	CFB appraisal template 14 <sup>th</sup> April 2021
NPV post tax	£8.6m	£10.495m	£8m	£11.7m	£11.7m
IRR	6.74%	7.02%	5.32%	5.32%	5.32%
Net interest income to Council	£5.985m	£11m	£12.2	£12.2m	£12.2m
Profit before tax over 40 yrs	£57.6m	£62.7m	£57.3m	£45m	£45m
LBE full loan repayment	2046	2046	2055	2055	2055