



CHELTENHAM

BOROUGH COUNCIL

Notice of a meeting of Council

Tuesday, 14 April 2015

6.30 pm

Council Chamber, Municipal Offices

Membership	
Councillors:	Simon Wheeler (Chair), Duncan Smith (Vice-Chair), Matt Babbage, Flo Clucas, Adam Lillywhite, Chris Mason, Dan Murch, Chris Nelson, John Payne, Max Wilkinson, Wendy Flynn, Andrew Chard, Paul Baker, Garth Barnes, Nigel Britter, Chris Coleman, Bernard Fisher, Jacky Fletcher, Colin Hay, Tim Harman, Rowena Hay, Sandra Holliday, Peter Jeffries, Steve Jordan, Andrew Lansley, Helena McCloskey, Andrew McKinlay, David Prince, John Rawson, Anne Regan, Rob Reid, Chris Ryder, Diggory Seacome, Malcolm Stennett, Klara Sudbury, Pat Thornton, Jon Walklett, Roger Whyborn and Suzanne Williams

Agenda

9.	ACCOMMODATION STRATEGY Report of the Cabinet Member Finance, Councillor John Rawson (if Members wish to discuss any exempt information in the appendices the Cabinet will need to pass the resolution in the following agenda item and consider these in exempt session)	(Pages 3 - 14)

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Andrew North
Chief Executive

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Addendum - Accommodation Strategy - Additional information

Following a request from some councillors, an additional cash flow projection for each option has been modelled (attached) which includes inflation provisions and the cost of the internal borrowing over a 20 year period. The resulting NPVs are summarised below.

	1. Remain in Municipal Offices (MO) and invest in planned maintenance programme	2. New build on amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build Honeybourne Gate
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Published Cabinet and Council papers - 14th April 2015.

1. NPV calculation – (without inflation)

Net Present Value (NPV)	£4.599m	£5.376m	£2.628m	£6.184m	£10.948m
NPV Ranking	2	3	1	4	5

Alternative modelling including estimated inflationary increases over 20 years.

2. NPV calculation – (with inflation)

Net Present Value (NPV)	£5.373m	£5.376m	£2.478m	£5.590m	£10.566m
NPV Ranking	2	3	1	4	5

Alternatively, looking at pure cashflows for each option (summarised below) over the 20 year period (at current pay and price levels) the net cashflow also confirms that option 3 the acquisition of the town centre building is the best option.

Net cashflow	£6.836m	£6.387m	£1.551m	£7.653m	£15.156m
Ranking	3	2	1	4	5

As such, the various approaches provide further assurance that option 3 is the best option for the council.

Mark Sheldon – Director of Resources (Section 151 Officer)

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Option 1: Remain at the Municipal Buildings and surplus space remain vacant

Funded by either cuts to services or increase in council tax.

Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36		
A. Cashflow - at current pay & price levels (2015/16)																							
Programmed Maintenance			865,000	357,500	266,000	129,000	171,500	296,000	741,000	550,500	294,000	736,000	500,500	1,149,000	121,500	123,000	53,500	77,000	32,000	41,000		6,504,000	
DDA Capital Works (Yr 5)					250,000																	250,000	
Energy Saving Capital Schemes		82,000																				82,000	
Cashflow	0	82,000	865,000	357,500	516,000	129,000	171,500	296,000	741,000	550,500	294,000	736,000	500,500	1,149,000	121,500	123,000	53,500	77,000	32,000	41,000	0	6,836,000	
INTERNAL FINANCING																							
Capital Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Impact on Medium Term Strategy *		82,000	865,000	357,500	516,000	129,000	171,500	296,000	741,000	550,500	294,000	736,000	500,500	1,149,000	121,500	123,000	53,500	77,000	32,000	41,000	0	6,836,000	
Property R&R Reserve		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	2,000,000
Dedicated Building Reserve		-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-2,000,000
Total	0	82,000	865,000	357,500	516,000	129,000	171,500	296,000	741,000	550,500	294,000	736,000	500,500	1,149,000	121,500	123,000	53,500	77,000	32,000	41,000	0	6,836,000	
B. Net Present Value including inflationary increases																							
Discount rate	5%																						
Present value of £1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Totals	
	1	0.95238095	0.9070295	0.8638376	0.8227025	0.7835262	0.7462154	0.71068133	0.6768394	0.6446089	0.61391325	0.584679289	0.55683742	0.5303214	0.505068	0.4810171	0.4581115	0.4362967	0.4155207	0.395734	0.376889		
Programmed Maintenance			899,946	379,382	287,927	142,426	193,137	340,011	868,200	657,898	358,384	915,123	634,755	1,486,354	160,317	165,542	73,444	107,819	45,704	59,729		7,776,098	
DDA Capital Works (Yr 5)					270,608																	270,608	
Energy Saving Capital Schemes		83,640																				83,640	
Total	0	83,640	899,946	379,382	558,535	142,426	193,137	340,011	868,200	657,898	358,384	915,123	634,755	1,486,354	160,317	165,542	73,444	107,819	45,704	59,729	0	8,130,346	
PV	0	79,657	816,278	327,724	459,508	111,595	144,122	241,639	587,632	424,087	220,017	535,054	353,455	788,245	80,971	79,628	33,646	47,041	18,991	23,637	0	5,372,927	

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Option 2: New Build on Shopfitters with CBH

Financing based on £6.25m PWLB annuity loan over 20 years PLUS £2.5m capital receipts

Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
A. Cashflow - at current pay and price levels (2015-16)																						
Purchase price	8,750,000																				8,750,000	
PWLB Loan	-6,250,000																				-6,250,000	
Principal repayments	122,529	249,505	255,554	261,750	268,096	274,596	281,254	288,073	295,057	302,211	309,538	317,043	324,730	332,603	340,667	348,927	357,386	366,051	374,926	384,016	195,486	6,250,000
Interest repayments	75,313	146,178	140,128	133,933	127,586	121,086	114,429	107,610	100,625	93,471	86,144	78,639	70,953	63,080	55,016	46,756	38,296	29,631	20,756	11,666	2,363	1,663,659
Relocation costs		70,000																				70,000
Additional move costs - IT Upgrades		40,000																				40,000
Furniture and Fittings		150,000																				150,000
Council Chamber / Committee Suite fit-out		100,000																				100,000
MO Annual Occupational Costs (SAVING)			-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-7,381,500
Rental stream from vacated Municipal Offices site						-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-2,800,000
Rental stream from Shopfitters site			-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-1,235,000
Business Rates		175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	3,325,000
Business Rates levied on tenants			-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-475,000
Annual Occupational Costs (inc.maintenance, utilities and insurance)			250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	4,750,000
Service charges from tenants			-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-570,000
Programmed Maintenance																						0
Cashflow	2,697,841	755,683	312,183	312,183	312,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	6,387,159
INTERNAL FINANCING																						
Capital Receipts	2,500,000																					2,500,000
Impact on Medium Term Strategy	197,841	755,683	312,183	312,183	312,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	3,887,159
Property R&R Reserve		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	2,000,000
Dedicated Building Reserve		-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-2,000,000
Total	2,697,841	755,683	312,183	312,183	312,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	6,387,159
B. Net Present Value including inflationary increases																						
Discount rate	5%																					
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Totals
Present value of £1	1	0.95238095	0.9070295	0.8638376	0.8227025	0.7835262	0.7462154	0.71068133	0.6768394	0.6446089	0.61391325	0.584679289	0.55683742	0.5303214	0.505068	0.4810171	0.4581115	0.4362967	0.4155207	0.395734	0.376889	
Purchase price	8,750,000																					8,750,000
PWLB Loan	-6,250,000																					-6,250,000
Principal repayments	122,529	249,505	255,554	261,750	268,096	274,596	281,254	288,073	295,057	302,211	309,538	317,043	324,730	332,603	340,667	348,927	357,386	366,051	374,926	384,016	195,486	6,250,000
Interest repayments	75,313	146,178	140,128	133,933	127,586	121,086	114,429	107,610	100,625	93,471	86,144	78,639	70,953	63,080	55,016	46,756	38,296	29,631	20,756	11,666	2,363	1,663,659
Relocation costs		71,400																				71,400
Additional move costs - IT Upgrades		41,600																				41,600
Furniture and Fittings		153,000																				153,000
Council Chamber / Committee Suite fit-out		104,000																				104,000
MO Annual Occupational Costs (SAVING)			-400,713	-411,313	-417,729	-424,274	-430,949	-442,283	-449,228	-456,740	-468,084	-475,899	-483,870	-495,868	-504,161	-512,620	-525,309	-534,110	-543,087	-556,273	-565,771	-9,098,281
Rental stream from vacated Municipal Offices site						-193,214	-193,214	-193,214	-193,214	-193,214	-218,214	-218,214	-218,214	-218,214	-218,214	-243,214	-243,214	-243,214	-243,214	-243,214	-268,214	-3,541,424
Rental stream from Shopfitters site			-75,000	-75,000	-75,000	-75,000	-75,000	-80,000	-80,000	-80,000	-80,000	-80,000	-85,000	-85,000	-85,000	-85,000	-85,000	-90,000	-90,000	-90,000	-90,000	-1,560,000
Business Rates		182,070	185,711	189,426	193,214	197,078	201,020	205,040	209,141	213,324	217,591	221,942	226,381	230,909	235,527	240,237	245,042	249,943	254,942	260,041	260,041	4,158,581
Business Rates levied on tenants			-26,010	-26,530	-27,061	-27,602	-28,154	-28,717	-29,291	-29,877	-30,475	-31,084	-31,706	-32,340	-32,987	-33,647	-34,320	-35,006	-35,706	-36,420	-37,149	-594,083
Annual Occupational Costs (inc.maintenance, utilities and insurance)			260,100	265,302	270,608	276,020	281,541	287,171	292,915	298,773	304,749	310,844	317,060	323,402	329,870	336,467	343,196	350,060	357,062	364,203	371,487	5,940,829
Service charges from tenants			-31,212	-31,836	-32,473	-33,122	-33,785	-34,461	-35,150	-35,853	-36,570	-37,301	-38,047	-38,808	-39,584	-40,376	-41,184	-42,007	-42,847	-43,704	-44,578	-712,900
Programmed Maintenance																						0
Total	2,697,841	755,683	312,183	312,183	312,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	6,387,159
PV	2,697,841	719,698	283,159	269,675	256,833	107,486	102,368	97,493	92,851	88,429	84,218	80,208	76,388	72,751	69,287	65,987	62,845	59,852	57,002	54,288	-22,859	5,375,800

(1) Rental stream from vacated Municipal Offices site

Year 5 -cash flow -current prices net rent £175,000
 Year 5 - Assumed inflation at 2% year 5, with rent reviews increasing net rent by £25k every 5 years

(2) Rental stream from shopfitters

Year 2 - Assumed net rent of £15 per square foot, with 5 year rent reviews
 Year 7 - Assumed net rent review to £16 per square foot
 Year 17 - Assumed £17 per square foot

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Option 4: Build on land by ASDA, Hatherley Lane

Financing based on £7.25m PWLB annuity loan over 20 years PLUS £2.5m capital receipts

Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
A. Cashflow - at current pay and price levels (2015/16)																						
Purchase price	9,750,000																				9,750,000	
PWLB Loan	-7,250,000																				-7,250,000	
Principal repayments	142,133	289,426	296,443	303,630	310,992	318,532	326,255	334,165	342,267	350,565	359,064	367,770	376,687	385,820	395,174	404,755	414,568	424,620	434,914	445,459	226,763	7,250,000
Interest repayments	87,363	169,566	162,549	155,362	148,000	140,460	132,737	124,827	116,725	108,427	99,927	91,222	82,305	73,172	63,818	54,237	44,424	34,372	24,077	13,533	2,735	1,929,840
Relocation costs		70,000																				70,000
Additional move costs - IT Upgrades		40,000																				40,000
Furniture and Fittings		150,000																				150,000
Council Chamber / Committee Suite fit-out		100,000																				100,000
MO Annual Occupational Costs (SAVING)			-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-7,381,500
Rental stream from vacated Municipal Offices site						-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-2,800,000
Rental stream from tenants			-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-1,300,000
Business Rates		175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	3,325,000
Business Rates levied on tenants			-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-475,000
Annual Occupational Costs (inc.maintenance, utilities and insurance)			250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	4,750,000
Service charges from tenants			-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-570,000
Programmed Maintenance																						0
Cashflow	2,729,496	818,992	375,492	375,492	375,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	7,653,340
INTERNAL FINANCING																						
Capital Receipts	2,500,000																					2,500,000
Impact on Medium Term Strategy	229,496	818,992	375,492	375,492	375,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	5,153,340
Property R&R Reserve		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	2,000,000
Dedicated Building Reserve		-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-2,000,000
Total	2,729,496	818,992	375,492	375,492	375,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	7,653,340
B. Net Present Value including inflationary increases																						
Discount rate	5%																					
Present value of £1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Totals
	1	0.95238095	0.9070295	0.8638376	0.8227025	0.7835262	0.7462154	0.71068133	0.6768394	0.6446089	0.61391325	0.584679289	0.55683742	0.5303214	0.505068	0.4810171	0.4581115	0.4362967	0.4155207	0.395734	0.376889	
Purchase price	9,750,000																					9,750,000
PWLB Loan	-7,250,000																					-7,250,000
Principal repayments	142,133	289,426	296,443	303,630	310,992	318,532	326,255	334,165	342,267	350,565	359,064	367,770	376,687	385,820	395,174	404,755	414,568	424,620	434,914	445,459	226,763	7,250,000
Interest repayments	87,363	169,566	162,549	155,362	148,000	140,460	132,737	124,827	116,725	108,427	99,927	91,222	82,305	73,172	63,818	54,237	44,424	34,372	24,077	13,533	2,735	1,929,840
Relocation costs		71,400																				71,400
Additional move costs - IT Upgrades		41,600																				41,600
Furniture and Fittings		153,000																				153,000
Council Chamber / Committee Suite fit-out		104,000																				104,000
MO Annual Occupational Costs (SAVING)			-400,713	-411,313	-417,729	-424,274	-430,949	-442,283	-449,228	-456,740	-468,084	-475,899	-483,870	-495,868	-504,161	-512,620	-525,309	-534,110	-543,087	-556,273	-565,771	-9,098,281
Rental stream from vacated Municipal Offices site						-193,214	-193,214	-193,214	-193,214	-193,214	-193,214	-193,214	-193,214	-193,214	-193,214	-193,214	-193,214	-193,214	-193,214	-193,214	-193,214	-3,541,424
Rental stream from Tenants			-75,000	-75,000	-75,000	-75,000	-75,000	-80,000	-80,000	-80,000	-80,000	-80,000	-80,000	-85,000	-85,000	-85,000	-85,000	-85,000	-90,000	-90,000	-90,000	-1,560,000
Business Rates		182,070	185,711	189,426	193,214	197,078	201,020	205,040	209,141	213,324	217,591	221,942	226,381	230,909	235,527	240,237	245,042	249,943	254,942	260,041	260,041	4,158,581
Business Rates levied on tenants			-27,061	-28,154	-29,291	-30,475	-31,706	-32,987	-34,320	-35,706	-37,149	-38,649	-40,211	-41,835	-43,526	-45,284	-47,114	-49,017	-50,997	-53,057	-55,201	-751,740
Annual Occupational Costs (inc.maintenance, utilities and insurance)			260,100	265,302	270,608	276,020	281,541	287,171	292,915	298,773	304,749	310,844	317,060	323,402	329,870	336,467	343,196	350,060	357,062	364,203	371,487	5,940,829
Service charges from tenants			-31,212	-31,836	-32,473	-33,122	-33,785	-34,461	-35,150	-35,853	-36,570	-37,301	-38,047	-38,808	-39,584	-40,376	-41,184	-42,007	-42,847	-43,704	-44,578	-712,900
Programmed Maintenance																						0
Total	2,729,496	828,992	367,176	363,702	364,532	172,141	172,957	164,239	165,036	165,393	137,048	137,362	132,652	129,049	129,285	104,491	100,606	95,746	95,851	91,888	-162,738	6,484,904
PV	2,729,496	789,516	333,040	314,179	299,901	134,877	129,063	116,721	111,703	106,614	84,136	80,313	73,866	68,438	65,298	50,262	46,089	41,774	39,828	36,363	-61,334	5,590,141

(1) Rental stream from vacated Municipal Offices site

Year 5 -cash flow -current prices net rent £175,000
 Year 5 - Assumed inflation at 2% year 5, with rent reviews increasing net rent by £25k every 5 years

(2) Rental stream from tenants

Year 2 - Assumed net rent of £15 per square foot, with 5 year rent reviews
 Year 7 - Assumed net rent review to £16 per square foot
 Year 17 - Assumed £17 per square foot

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Option 5: Honeybourne Gate, Jessops Avenue

Financing based on £12.5m PWLB annuity loan over 20 years PLUS £2.5m capital receipts

Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36		
A. Cashflow - at current pay and price levels (2015/16)																							
Purchase price	15,000,000																					15,000,000	
PWLB Loan	-12,500,000																					-12,500,000	
Principal repayments	245,058	499,010	511,108	523,500	536,193	549,193	562,508	576,146	590,115	604,422	619,077	634,086	649,460	665,206	681,334	697,853	714,773	732,103	749,853	768,033	390,971	12,500,000	
Interest repayments	150,625	292,356	280,257	267,865	255,173	242,173	228,857	215,219	201,250	186,943	172,289	157,279	141,905	126,159	110,031	93,512	76,592	59,263	41,513	23,332	4,708	3,327,301	
Relocation costs		70,000																				70,000	
Additional move costs - IT Upgrades		40,000																				40,000	
Furniture and Fittings		150,000																				150,000	
Council Chamber / Committee Suite fit-out		100,000																				100,000	
MO Annual Occupational Costs (SAVING)			-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-7,381,500	
Rental stream from vacated Municipal Offices site						-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-2,800,000	
Business Rates			150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	2,850,000	
Annual Occupational Costs (inc.maintenance, utilities and insurance)			200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	3,800,000	
Programmed Maintenance																							
Cashflow	2,895,683	1,151,365	752,865	752,865	752,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	182,180	15,155,801	
INTERNAL FINANCING																							
Capital Receipts	2,500,000																					2,500,000	
Impact on Medium Term Strategy	395,683	1,151,365	752,865	752,865	752,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	182,183	12,655,801
Property R&R Reserve		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	2,000,000
Dedicated Building Reserve		-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-2,000,000
Total	2,895,683	1,151,365	752,865	752,865	752,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	182,183	15,155,801	
B. Net Present Value including inflationary increases																							
Discount rate	5%																						
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Totals	
Present value of £1	1	0.95238095	0.9070295	0.8638376	0.8227025	0.7835262	0.7462154	0.71068133	0.6768394	0.6446089	0.61391325	0.584679289	0.55683742	0.5303214	0.505068	0.4810171	0.4581115	0.4362967	0.4155207	0.395734	0.376889		
Purchase price	15,000,000																					15,000,000	
PWLB Loan	-12,500,000																					-12,500,000	
Principal repayments	245,058	499,010	511,108	523,500	536,193	549,193	562,508	576,146	590,115	604,422	619,077	634,086	649,460	665,206	681,334	697,853	714,773	732,103	749,853	768,033	390,971	12,500,000	
Interest repayments	150,625	292,356	280,257	267,865	255,173	242,173	228,857	215,219	201,250	186,943	172,289	157,279	141,905	126,159	110,031	93,512	76,592	59,263	41,513	23,332	4,708	3,327,301	
Relocation costs		71,400																				71,400	
Additional move costs - IT Upgrades		41,600																				41,600	
Furniture and Fittings		153,000																				153,000	
Council Chamber / Committee Suite fit-out		104,000																				104,000	
MO Annual Occupational Costs (SAVING)			-400,713	-411,313	-417,729	-424,274	-430,949	-442,283	-449,228	-456,740	-468,084	-475,899	-483,870	-495,868	-504,161	-512,620	-525,309	-534,110	-543,087	-556,273	-565,771	-9,098,281	
Rental stream from vacated Municipal Offices site						-193,214	-193,214	-193,214	-193,214	-193,214	-218,214	-218,214	-218,214	-218,214	-218,214	-243,124	-243,124	-243,124	-243,124	-243,124	-243,124	-268,124	-3,540,884
Business Rates			156,060	159,181	162,365	165,612	168,924	172,303	175,749	179,264	182,849	186,506	190,236	194,041	197,922	201,880	205,918	210,036	214,237	218,522	222,892	3,564,498	
Annual Occupational Costs (inc.maintenance, utilities and insurance)			208,080	212,242	216,486	220,816	225,232	229,737	234,332	239,019	243,799	248,675	253,648	258,721	263,896	269,174	274,557	280,048	285,649	291,362	297,189	4,752,663	
Programmed Maintenance																							
Total	2,895,683	1,161,365	754,792	751,475	752,487	560,306	561,359	557,908	559,004	559,694	531,715	532,433	533,165	530,046	530,808	506,675	503,407	504,216	505,041	501,852	81,866	14,375,297	
PV	2,895,683	1,106,062	684,619	649,152	619,073	439,014	418,895	396,495	378,356	360,784	326,427	311,303	296,886	281,095	268,094	243,719	230,617	219,988	209,855	198,600	30,854	10,565,570	

Note:

(1) Rental stream from vacated Municipal Offices site

Year 5 -cash flow -current prices net rent £175,000

Year 5 - Assumed inflation at 2% year 5, with rent reviews increasing net rent by £25k every 5 years

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