

Option 3: Purchase Town Centre Building - Transfer of a Going Concern

Financing based on £6.25m PWLB annuity loan over 20 years PLUS £2.5m capital receipts PLUS £5m internal borrowing

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	13,750,000																				13,750,000	
PWLB Loan	-6,250,000																				-6,250,000	
Stamp duty	550,000																				550,000	
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	2,357	1,663,653
Foregone interest on internal borrowing	22,917	20,750	16,750	12,750	8,750	4,250	0															86,167
Relocation costs								70,000														70,000
Additional move costs - IT Upgrades								250,000														250,000
Furniture and Fittings								150,000														150,000
Reception works/configuration								100,000														100,000
Internal Refurbishment								100,000														100,000
Council Chamber / Committee Suite fit-out								350,000														350,000
ECO survey / improvements							20,000	180,000														200,000
Professional fees associated with purchase	25,000																					25,000
Project Management / External Consultancy							100,000	50,000														150,000
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	-5,050,500
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	-2,450,000
Rental stream from Town Centre Building	-1,181,308	-1,288,700	-1,288,700	-1,288,700	-1,288,700	-1,288,700	-1,288,700	-1,288,700	-325,000	-325,000	-325,000	-325,000	-325,000	-325,000	-325,000	-325,000	-325,000	-325,000	-325,000	-325,000	-325,000	-14,427,208
Business Rates									338,075	338,075	338,075	338,075	338,075	338,075	338,075	338,075	338,075	338,075	338,075	338,075	338,075	4,394,975
Business Rates levied on tenants									-153,670	-153,670	-153,670	-153,670	-153,670	-153,670	-153,670	-153,670	-153,670	-153,670	-153,670	-153,670	-153,670	-1,997,716
Annual Occupational Costs (inc.maintenance, utilities and insurance)									440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	5,720,000
Service charges from tenants									-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	-2,600,000
Town Centre Building Programmed Maintenance					177,000				165,000													342,000
Cashflow	7,114,450	-872,267	-876,267	-880,267	-707,267	-888,767	-773,017	356,983	96,587	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-266,253	1,551,371
INTERNAL FINANCING																						
Internal Borrowing	5,000,000																					5,000,000
Capital Receipts	2,114,450							385,550														2,500,000
Impact on Medium Term Financial Strategy										-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-266,254	-1,018,797
Contingency for rent negotiations																						-514,952
RCCO																						-5,000,000
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 Town Centre Building Reserve																						-1,414,880
Total	7,114,450	-872,267	-876,267	-880,267	-707,267	-888,767	-773,017	356,983	96,587	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-68,413	-266,254	1,551,371
B. Net Present Value including inflationary increases																						
Discount rate	5%																					
Present value of £1	1	0.95238095	0.907029	0.863838	0.822702	0.783526	0.7462154	0.7106813	0.676839	0.6446089	0.6139133	0.584679289	0.55683742	0.530321	0.505068	0.481017	0.458112	0.436297	0.415521	0.395734	0.376889	Totals
Purchase price	13,750,000																					13,750,000
PWLB Loan	-6,250,000																					-6,250,000
Stamp duty	550,000																					550,000
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	2,357	1,663,653
Foregone interest on internal borrowing	22,917	41,500	50,250	51,000	43,750	25,500	0															234,917
Relocation costs								80,408														80,408
Additional move costs - IT Upgrades								328,983														328,983
Furniture and Fittings								172,303														172,303
Reception works/configuration								131,593														131,593
Internal Refurbishment								131,593														131,593
Council Chamber / Committee Suite fit-out								460,576														460,576
ECO survey / improvements							25,306	236,868														262,174
Professional fees associated with purchase	25,000																					25,000
Project Management / External Consultancy							112,616	57,434														170,051
MO Annual Occupational Costs (SAVING)									-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	-6,571,020
Rental stream from vacated Municipal Offices site									-205,040	-205,040	-205,040	-205,040	-205,040	-230,040	-230,040	-230,040	-230,040	-230,040	-260,040	-260,040	-260,040	-2,955,520
Rental stream from Town Centre Building	-1,181,308	-1,288,700	-1,288,700	-1,288,700	-1,288,700	-1,288,700	-1,288,700	-1,288,700	-375,000	-375,000	-375,000	-375,000	-400,000	-400,000	-400,000	-400,000	-400,000	-425,000	-425,000	-425,000	-425,000	-14,927,208
Business Rates									396,109	404,031	412,112	420,354	428,761	437,336	446,083	455,004	464,105	473,387	482,854	492,511	502,362	5,815,008
Business Rates levied on tenants									-180,049	-183,650	-187,323	-191,070	-194,891	-198,789	-202,765	-206,820	-210,957	-215,176	-219,479	-223,869	-228,346	-2,643,185
Annual Occupational Costs (inc.maintenance, utilities and insurance)									515,530	525,841	536,358	547,085	558,026	569,187	580,571	592,182	604,026	616,106	628,428	640,997	653,817	7,568,153
Service charges from tenants									-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	-3,440,070
Town Centre Building Programmed Maintenance					191,590				193,324													384,914
Total	7,114,450	-851,517	-842,767	-842,017	-657,677	-867,517	-755,095	706,741	56,995	-133,894	-135,095	-132,563	-129,980	-181,213	-178,526	-175,785	-177,050	-174,198	-226,290	-227,353	-422,326	767,322