

OPTION 3
Operating Model (Year 1 to 10)

		pre disposals position investment in estate	post disposals position saving through disposals	pre disposals position investment per garage	post disposals position investment per garage
TEN YEAR CAPITAL INVESTMENT REQUIREMENT					
INVESTMENT REQUIRED - GARAGE TYPE A	£3,233,636	£3,334,896	£101,260	£900.18	£872.85
INVESTMENT REQUIRED - GARAGE TYPE B	£2,699,326	£2,744,676	£45,350	£1,261.62	£1,240.78
INVESTMENT REQUIRED - GARAGE TYPE C	£1,748,366	£1,921,816	£173,450	£2,441.57	£2,221.21
ADD % FOR TA+FEES - GARAGE TYPE A	10.0% £3,557,000	£3,668,386	£111,386	£990.20	£960.13
ADD % FOR TA+FEES - GARAGE TYPE B	10.0% £2,969,258	£3,019,143	£49,885	£1,387.79	£1,364.86
ADD % FOR TA+FEES - GARAGE TYPE C	10.0% £1,923,203	£2,113,998	£190,795	£2,685.72	£2,443.33
ADD % FOR ASBESTOS + CONTINGENCIES-GARAGE TYPE A	5.0% £3,734,850	£3,851,805	£116,955	£1,039.71	£1,008.14
ADD % FOR ASBESTOS + CONTINGENCIES-GARAGE TYPE B	5.0% £3,117,721	£3,170,100	£52,379	£1,457.17	£1,433.10
ADD % FOR ASBESTOS + CONTINGENCIES-GARAGE TYPE C	5.0% £2,019,363	£2,219,697	£200,335	£2,820.01	£2,565.49
ADD % FOR DECANTING/LOSS OF INCOME-GARAGE TYPE A	1.0% £3,772,199 42%	£3,890,323	£118,125	£1,057.73	£1,018.22
ADD % FOR DECANTING/LOSS OF INCOME-GARAGE TYPE B	1.0% £3,148,898 35%	£3,201,801	£52,903	£1,479.58	£1,447.43
ADD % FOR DECANTING/LOSS OF INCOME-GARAGE TYPE C	1.0% £2,039,556 23%	£2,241,894	£202,338	£2,870.54	£2,591.15
TOTAL CAPITAL INVESTMENT REQUIRED OVER TEN YEARS	£8,960,653	£9,334,019	£373,366		
LESS INVESTEMENT ALREADY MADE	£635,000	£635,000	£0		
TOTAL CAPITAL INVESTMENT REQUIRED	£8,325,653	£8,699,019	£373,366		

		pre disposals position investment in estate	post disposals position saving through disposals	pre disposals position investment per garage	post disposals position investment per garage
"AMW" INVESTMENT REQUIREMENT					
INVESTMENT REQUIRED - GARAGE TYPE A	£109,739	£125,735	£15,996	£1,047.79	£914.49
INVESTMENT REQUIRED - GARAGE TYPE B	£87,164	£87,164	£0	£1,894.87	£1,894.87
INVESTMENT REQUIRED - GARAGE TYPE C	£40,633	£139,397	£98,764	£2,403.39	£700.57
ADD % FOR TA+FEES - GARAGE TYPE A	10.0% £120,713	£138,309	£17,596	£1,152.57	£1,005.94
ADD % FOR TA+FEES - GARAGE TYPE B	10.0% £95,880	£95,880	£0	£2,084.35	£2,084.35
ADD % FOR TA+FEES - GARAGE TYPE C	10.0% £44,696	£153,336	£108,640	£2,643.73	£770.63
ADD % FOR ASBESTOS MANAGEMENT-GARAGE TYPE A	5.0% £126,748	£145,224	£18,476	£1,210.20	£1,056.24
ADD % FOR ASBESTOS MANAGEMENT-GARAGE TYPE B	5.0% £100,674	£100,674	£0	£2,188.57	£2,188.57
ADD % FOR ASBESTOS MANAGEMENT-GARAGE TYPE C	5.0% £46,931	£161,003	£114,072	£2,775.92	£809.16
ADD % FOR DECANTING/LOSS OF INCOME-GARAGE TYPE A	1.0% £128,016 46%	£146,676	£18,660	£1,222.30	£1,066.80
ADD % FOR DECANTING/LOSS OF INCOME-GARAGE TYPE B	1.0% £101,681 37%	£101,681	£0	£2,210.46	£2,210.46
ADD % FOR DECANTING/LOSS OF INCOME-GARAGE TYPE C	1.0% £47,401 17%	£162,613	£115,213	£2,803.68	£817.25
TOTAL "AMW" CAPITAL INVESTMENT REQUIRED	£277,098	£410,970	£133,873		

OPERATING MODEL PARAMETERS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	10 YR TOTAL
ANNUAL INCOME-REVENUE											
Total net rent income (Types A B C)	£2,939,653	£2,973,099	£3,069,179	£3,161,238	£3,225,717	£3,262,495	£3,304,557	£3,347,473	£3,383,385	£3,404,696	£32,071,492
SUB TOTAL	£2,939,653	£2,973,099	£3,069,179	£3,161,238	£3,225,717	£3,262,495	£3,304,557	£3,347,473	£3,383,385	£3,404,696	£32,071,492
Increase in annual income from year 1:		£33,446	£129,525	£221,585	£286,063	£322,842	£364,903	£407,820	£443,731	£465,042	
ANNUAL EXPENDITURE - REVENUE											
Total Budget/Costs within existing budget (Premises/Transport/Supplies & Services)	£39,530	£39,530	£39,530	£39,530	£39,530	£39,530	£39,530	£39,530	£39,530	£39,530	£395,300
Contract Payments											
Maintenance & Street Cleansing	£216,000	£216,000	£216,000	£216,000	£216,000	£216,000	£216,000	£216,000	£216,000	£216,000	£2,160,000
Saving on maintenance resource while works are under way	£0	£-15,000	£-15,000	£-25,000	£-25,000	£0	£0	£0	£0	£0	£-80,000
Maintenance Savings after works have been completed	£0	£0	£0	£0	£0	£-25,000	£-25,000	£-25,000	£-25,000	£-25,000	£-125,000
Internal Recharges											
Current Budgeted Costs (Employee recharges, CSC and IT recharges)	£310,000	£310,000	£310,000	£310,000	£310,000	£310,000	£310,000	£310,000	£310,000	£310,000	£3,100,000
Additional Promotional Budget required	£5,000	£5,000	£5,000	£5,000	£5,000	£2,500	£2,500	£2,500	£2,500	£2,500	£37,500
Garage Management staff implications	£28,000	£63,000	£28,000	£28,000	£28,000	£28,000	£28,000	£28,000	£28,000	£28,000	£315,000
SUB-TOTAL (Contract Payments + Internal Recharges)	£598,530	£618,530	£583,530	£573,530	£573,530	£571,030	£571,030	£571,030	£571,030	£571,030	£5,802,800
Finance costs											
Minimum revenue provision (MRP)	£0	£0	£33,691	£153,646	£238,948	£265,506	£265,506	£265,506	£265,506	£265,506	£1,753,816
Interest	£0	£15,900	£85,050	£178,800	£232,250	£245,200	£245,200	£245,200	£245,200	£245,200	£1,738,000
Sub Total (MRP/Interest)	£0	£15,900	£118,741	£332,446	£471,198	£510,706	£510,706	£510,706	£510,706	£510,706	£3,491,816
SUB TOTAL	£598,530	£634,430	£702,271	£905,976	£1,044,728	£1,081,736	£1,081,736	£1,081,736	£1,081,736	£1,081,736	£9,294,616
Increase in costs from year 1:		£35,900	£103,741	£307,446	£446,198	£483,206	£483,206	£483,206	£483,206	£483,206	
ANNUAL INCOME-CAPITAL											
Capital available from Council	£250,000	£250,000	£250,000	£250,000	£250,000	£250,000	£250,000	£250,000	£250,000	£250,000	£2,500,000
Ringfenced Disposal Receipts	£75,000	£785,000	£0								£860,000
Capital available from prudential borrowing (see below)	£0	£962,266	£2,998,882	£2,132,561	£663,945	£0	£0	£0	£0	£0	£6,757,653
SUB TOTAL	£325,000	£1,997,266	£3,248,882	£2,382,561	£913,945	£250,000	£250,000	£250,000	£250,000	£250,000	£10,117,653
ANNUAL EXPENDITURE - CAPITAL											
Contract works	£250,000	£1,780,266	£3,248,882	£2,382,561	£913,945	£75,000	£75,000	£75,000	£75,000	£75,000	£8,950,653
Capitalised Staff Costs	£60,000	£60,000	£0								£120,000
Disposal costs	£3,000	£31,400	£0	£0	£0	£0	£0	£0	£0	£0	£34,400
"Buy Back" costs	£12,000	£125,600	£0	£0	£0	£0	£0	£0	£0	£0	£137,600
SUB TOTAL	£325,000	£1,997,266	£3,248,882	£2,382,561	£913,945	£75,000	£75,000	£75,000	£75,000	£75,000	£9,242,653
TOTAL SURPLUS FROM THE SERVICE	£2,341,123	£2,338,669	£2,366,908	£2,255,262	£2,180,988	£2,355,759	£2,397,821	£2,440,737	£2,476,648	£2,497,960	£23,651,876
Surplus to general fund with no intervention:	£2,374,123										
DIFFERENCE between no intervention and recommended option:	-£33,000	-£35,454	-£7,215	-£118,861	-£193,135	-£18,364	£23,697	£66,614	£102,525	£123,836	-£89,357
Cumulative Difference:		-£68,454	-£75,669	-£194,530	-£387,665	-£406,030	-£382,332	-£315,719	-£213,194	-£89,357	