

Financial Appraisal - King's Walk additional activation works

In CAB3281, works to Kings Walk were approved at an overall cost of £200,000 including: ground floor & public realm - external greening, lighting, internal alterations to create a refreshed image; loading bay activation - create external event space for letting and/or regeneration of the area; and to enhance connectivity and visibility between Kings Walk and the High Street.

An additional £185,000 is required due to the extended scope of works now to include activation of the roof top of the former middle brook street multi-storey car park and the inclusion of a secret garden in the Kings Walk Courtyard.

Capital Budget									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Remaining life	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Additional works	185	0	0	0	0	0	0	0	185
Total	185	0	0	0	0	0	0	0	185
Financed by:									
Prudential borrowing	185	0	0	0	0	0	0	0	185
Total	185	0	0	0	0	0	0	0	185

Revenue Consequences									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Remaining life	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income	0	0	0	0	0	0	0	0	0
Expenditure (including savings)	(10)	(5)	(5)	(5)	0	0	0	0	(25)
Net surplus/(deficit)	(10)	(5)	(5)	(5)	0	0	0	0	(25)
Capital financing costs									
Interest payments	0	(2)	(1)	(1)	0	0	0	0	(4)
Minimum Revenue Provision (MRP)*	0	(61)	(62)	(62)	0	0	0	0	(185)
Net impact on the General Fund balance	(10)	(68)	(68)	(68)	0	0	0	0	(214)

*Borrowing need is reduced over the life of the asset by applying MRP annually from revenue

Net Present Value/(Cost) £000:

(210)

Discounted payback period:

n/a

Incremental Impact of Capital Investment Decisions*	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£	£	£	£	£
General Fund - equivalent to increase/(decrease) in annual band D Council Tax	0.00	0.19	1.30	1.29	1.27

*This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax.

Assumptions

Discount factor	1.00%	Estimated cost of capital
Appraisal period	3 years	Estimated length of time before wider site developed
Financing	Prudential borrowing	
Expenditure	Activation and marketing - £10,000 Maintenance - £5,000 per annum	One off cost Landscape maintenance
Interest	1.00%	Reflects shorter term borrowing rates available to the council
Minimum Revenue Provision (equivalent to principal loan repayment)	1.00% on an annuity basis	As above; applied in the year following completion of works over estimated life