

## Scenario 1: Poole Museum & Scaplen's Court Development

### Core assumptions

- Capital outlay of £3.9m** - including professional and design fees, surveys and investigations, public realm works and 10% contingency. This allows for relocation of café to Scaplen's Court, additional wedding and room hire potential, and enhanced 3rd floor gallery at Poole Museum. **Works estimated to be completed December 22 to December 23, with the majority of capital outlay incurred 2023/24**
- Funding will be from a mix of sources, including external grant, third party, match funding from trusts and foundations (see total below). All **external funding to be confirmed in advance** of works progressing
- PRU borrowing to be repaid from net additional income from customers / visitors / wedding receptions. Borrowing will be taken out in 2023/24 - repayable from 2024/25 onwards. This is **net additional income**, with 2% inflation per annum
- PRU borrowing at **Invest to Save low risk rate of 3%** over 25 years. Assume borrowing will be undetaken for building related expenditure - with asset life of 40 years. Council has option to increase period of borrowing from 25 years to 40 years (life of asset). This would further improve net annual revenue position, but cost the Council more in interest repayment. This project is a regeneration scheme, a by-product of which is income generation. PWLB borrowing is therefore permissible under HM Treasury guidance
- Major Repairs allowance included from Year 10 onwards to maintain asset in good condition, based on 0.8% of current asset value (excluding land) + capital investment is proposed. **This is an indicative allowance only, that will ultimately be informed by (and make financial provision for capital costs arising from the service's 25 year building maintenance plan currently under development) to be funded.** There is as yet no other specific budget provision for capital costs anticipated within the 25 building maintenance plan. There is the potential for some of this cost to be met from revenue budgets for Estate maintenance.
- Assumes **Museums Storage will continue to be provided off-site** (current Hatchpond)
- Assume additional revenue operating expenditure and investment / asset value increases by 2% each year
- Net revenue pressure over MTFP of £87k** - reflecting lost income during construction phase. Net annual surplus from first full year of new operation

### Key Financials - over 25 years

	Inc Major Repairs £k	Exc Major Repairs £k
	4,242	4,242
<b>Project outlay</b>		
	£k	£k
Net additional income over 25 years	(3,928)	(3,928)
Major Repairs Allowance	2,057	0
Borrowing Requirement (repaid over asset useful life)	1,023	1,023
Interest cost of borrowing (@ 3% over 25 years)	446	446
<b>Net 25 year surplus (including Risk Premium)</b>	<b>(402)</b>	<b>(2,459)</b>

Project outlay	Museum £	Scaplens £	Total £
Building improvements	1,693,935	822,880	2,516,815
Additional Investment Design Gallery 3rd Floor	300,000	0	300,000
Professional fees	172,089	37,711	209,800
Public realm	50,000	50,000	100,000
	<b>2,216,024</b>	<b>910,591</b>	<b>3,126,615</b>
Contingency and inflation	25%	700,000	95,409
			795,409
<b>Capital outlay</b>	<b>2,916,024</b>	<b>1,006,000</b>	<b>3,922,024</b>
Revenue engagement spend (including professional fees, project management and central support)			319,601

### Project Outlay

Project funding	HLF Grant subject to bid £	HE Grant secured £	Third Party ongoing £	BCP secured £	Total £
<b>Capital</b>					
Heritage Lottery Funding	1,920,637				1,920,637
Historic England		478,174			478,174
Community Infrastructure Levy				200,000	200,000
Third Party / Fundraising			300,000		300,000
Prudential Borrowing				1,023,213	1,023,213
<b>Revenue</b>					
Heritage Lottery Funding	319,601				319,601
<b>Project funding</b>	<b>2,240,238</b>	<b>478,174</b>	<b>300,000</b>	<b>1,223,213</b>	<b>4,241,625</b>

### Projected Cashflow Summary

	Inc Major Repairs £k	Exc Major Repairs £k
Net revenue cost to BCP over MTFP (2021/22 to 2023/24)	87	87
Net saving to BCP for next 10 years (2024/25 to 2033/34)	(624)	(847)
Net saving to BCP for next 10 years (2034/35 to 2043/44)	76	(1,181)
Net saving to BCP for next 5 years (2043/44 to 2047/48)	59	(518)
<b>Net 25 year surplus (including Risk Premium)</b>	<b>(402)</b>	<b>(2,459)</b>
Risk Premium (difference between Invest to Save rate 3% and PWLB	131	131
<b>Net 25 year surplus - without additional Invest to Save risk</b>	<b>(533)</b>	<b>(2,590)</b>