



Billericay Town Council

Chantry Way Redevelopment

Impact on Budget

AMENDMENT HISTORY

1.0 16-Nov-2017 Released

1.1 28-Dec-2017 Version History added (no changes)

1.2 2-Aug-2018 Updated with most recent figures and with the 1.4m loan estimate.

1.3 8-Mar-2019 Updated with latest information

1. BUDGET OVERVIEW - 2017/8 to 2020/21

In the table below:

2017/2018 - Last full year of Chantry Way operation.

2018/2019 - Demolition / start up phase

2019/2020 - Includes loan interest charges for some of the year (staged development payments),

2020/2021 - First full year of operations. Includes conservative assessment of hire income plus closure of Coach House mid-year ?

2021/2022 - Full operation.

Major income / expenditure	Financial Year				
		Current Year			
	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
	Last full year of Chantry	Demolition , new building design	Construction	Full operation. Coach House closed during year.	Full operation.
Budgeted projects (incl. Coach House)	£ (260,000)	£(225,000)	£ (225,000)	£ (225,000)	£ (225,000)
Savings on Chantry Way		£ 2,165	£ 4,683	£ 4,683	£ 4,683
Savings on Coach House				£ 18,000	£ 36,980
Loan costs			£ (66,674)	£ (66,674)	£ (66,674)
Running costs New Chantry Way				£ (46,200)	£ (55,042)
TOTAL EXPENDITURE	£ (260,000)	£(222,835)	£ (286,991)	£ (315,191)	£ (305,053)
Precept	£ 250,000	£ 275,147	£ 282,124	£ 290,000	£ 298,000
Income from hiring	£ 14,740	£ 600	£ 0	£ 25,000	£ 30,000
TOTAL INCOME	£ 264,740	£ 275,747	£ 282,124	£ 315,000	£ 328,000
BUDGET SURPLUS/ DEFICIT	£ 4,740	£ 52,912	£ (4,867)	£ (191)	£ 22,947

2. PROJECT COST ESTIMATES

Billericay Town Council can afford a loan of £1.4 million, which puts an upper limit of £1,930,000 on the building cost.

Cost type	Confidence of estimate	£
Feasibility / Architects	High. Work completed.	£ 6,000
Surveys / Demolition	Fairly high. Work mostly complete	£ 124,000
Construction	Maximum affordable	£ 1,600,000
BTC Costs (incl. Fit Out)	Medium. Includes 30% contingency	£ 200,000
MAXIMUM COST		£ 1,930,000

3. PROJECT TIMELINE

Completion early Q2 / 2020. (As of March, 2019)

Activity	Date
Construction out to Tender	February / March 2019
Appoint contractor	May 2019
Build	May 2019 to March 2020
Contingency/snagging	March to April 2020
Completion / fit out	April / May 2020
Move in	May 2020
Available for hire	May / June 2020

4. CROWN YARD

BTC has financial commitments on our existing leased office to May, 2020

Lease constraints	Date
Earliest lease break point	14 May 2020
Earliest NTQ (Notice to Quit) can be given	15 November 2019

5. WHEN ARE COSTS INCURRED ?

Major costs are in financial year 2019/2020

Cost	2018/2019	2019/2020	
Construction		100%	
Feasibility costs	100%	0%	All feasibility costs already accrued
Surveys / Demolition	100%	0	Demolition complete Q1/2019
BTC Costs (incl. Fit Out)	20%	80%	Some costs (legal) in 2018/9, but most after this

Using the above, expenditure would then be :

Cost	2018/2019	2019/2020
Construction	£ 0	£ 1,600,000
Feasibility / Architects	£ 6,000	£ 0
Surveys / Demolition	£ 124,000	£ 0
BTC Costs (incl. Fit Out)	£ 40,000	£ 160,000
TOTAL BY YEAR	£ 170,000	£ 1,760,000
GRAND TOTAL	£1,930,000	

6. RUNNING COSTS - NEW CHANTRY WAY

Cost based on estimates as of March 2019

	Crown Yard	Current Chantry Way	New Chantry Way (est.)
Business Rates	£ 7,255	£ 2,520	£ 10,000
Water Rates	£ 550	£ 363	£ 1,000
Rent	£ 20,000		
Electricity/Gas	£ 2,700	£ 1,929	£ 4,000
Salary / wages	£ 1,170	£ 7,100	£ 10,000
Refuse disposal	£ 130	£ 700	£ 700
Health & Safety	£ 500		£ 500
Insurance	£ 6,375	£ 208	£ 10,000
Premises maintenance	£ 300	£ 1,000	£ 15,000
Running Costs	£ 38,980	£ 13,820	£ 51,200
Loan Interest			£ 67,940
Total Expenditure	£ 38,980	£ 13,820	£ 119,140
Hire income	£ 2,000	£ 11,702	£ 25,000
Total net annual cost	£ 36,980	£ 2,118	£ 94,140
Increased cost of New Chantry Way vs Crown Yard + Current Chantry Way			£ 55,042

7. FUNDING

Billericay Town Council will fund approximately 25% from reserves with the remainder coming from PWLB loan.

This scenario assumes no grant funding

Earmarked Reserves	Amount
EMR Building Fund	£ 518,798

ASSUMPTION: Assumes no grant funding. BTC will apply for CIF/Heritage Lottery etc. with the aim of reducing the loan amount, however, for budgetary purposes we cannot assume we will get any approved.

Loan Costs - 30 year annuity				
Loan	Max funds (inc. BTC Funds)	Interest Rate (Feb2019)	Annual Payment	Total Payable
£1,400,000	£1,918,798	2.59%	£ 66,674	£2,038,256

8. IMPACT ON BUDGET

8.1. Full Year 2018/2019 (Current year)

Income / Expenditure item	Income / expenditure
Current Budget	£ (225,000)
Additional savings from Chantry closure	£ 2,165
Loan costs	
TOTAL EXPENDITURE	£ (222,835)
Precept	£ 275,147
Income from hiring	£ 600
TOTAL INCOME	£ 275,747
BUDGET SURPLUS/(DEFICIT)	£ 52,912

- Chantry costs were minimised as soon as possible.
- Additional savings are through cancelling refuse disposal, business rates, utilities etc.
- Hiring income gained up until closure
- Some of the surplus is earmarked for projects in 2019/20, the remainder will be transferred into general reserves.

8.2. Full Year 2019/2020

Budget deficit due to both Chantry Way loans and Crown Yard remaining operational.

Income / Expenditure item	Income / expenditure
Budgeted Projects	£ (225,000)
Additional savings from Chantry closure	£ 4,683
Loan costs	£ (66,674)
Running Costs NCW	£ 0
Part year saving on running costs Coach House	£ 0
TOTAL EXPENDITURE	£ (286,991)
Precept	£ 282,124
Income from hiring	£ 0
TOTAL INCOME	£ 282,124
BUDGET SURPLUS/DEFICIT	£ (4,867)

- There will be zero expenditure on Current Chantry Way, saving an additional £4,683 on current budget

NB Software/IT Support costs will remain as per budget proposal (cheaper than cancelling the contract and having to repurchase the hiring software)

- **BUDGETED PROJECTS / PRECEPT** The projects budget is static at £225,000; the precept has been raised in line with costs by £7,000

8.3. Full Year 2020/2021

First year of operations. Quit Coach House mid-year. Precept raised in line with 2019/2020

Income / Expenditure item	Income / expenditure
Budgeted Projects	£ (225,000)
Savings from Chantry closure	£ 4,683
Saving on Coach House	£ 18,000
Loan costs	£ (66,674)
Running Costs NCW	£ (46,200)
TOTAL EXPENDITURE	£ (315,191)
Precept	£ 290,000
Income from hiring	£ 25,000
TOTAL INCOME	£ 315,000
BUDGET SURPLUS/DEFICIT	£ (191)

8.4. Full Year 2021/2022

Second year of operations. Precept raised in line with 2019/2020

Income / Expenditure item	Income / expenditure
Budgeted Projects	£ (225,000)
Savings from Chantry closure	£ 4,683
Saving on Coach House	£ 36,980
Loan costs	£ (66,674)
Running Costs NCW	£ (55,042)
TOTAL EXPENDITURE	£ (305,053)
Precept	£ 298,000
Income from hiring	£ 30,000
TOTAL INCOME	£ 328,000
BUDGET SURPLUS/DEFICIT	£ 22,947