

**SUPPLEMENT TO THE AGENDA FOR**

# **Cabinet**

**Thursday 19 September 2013**

**2.00 pm**

**The Council Chamber, Brockington, 35 Hafod Road, Hereford**

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<b>7. PROPOSED BUTTERMARKET REFURBISHMENT</b>	<b>3 - 4</b>



**FIVE YEAR CASH ASSESSMENT OF OPTIONS**

**Re-develop Buttermarket**

	Refurbishment		
	Net Income	Net Costs	Net operating profit
Year 1	£398,502	£366,805	£31,697
Year 2	£444,579	£421,746	£22,833
Year 3	£494,267	£412,583	£81,684
Year 4	£530,513	£423,961	£106,553
Year 5	£557,039	£435,907	£121,132

*Net costs includes service charge and repayments of Prudential borrowing*

**Market Closure**

	Close		
	Net Income	Net Costs	Net operating profit
Year 1	£0	£253,900	-£253,900
Year 2	£0	£32,800	-£32,800
Year 3	£0	£33,600	-£33,600
Year 4	£0	£34,400	-£34,400
Year 5	£0	£35,300	-£35,300

*Net costs include building rates with an annual inflation increase*

**Do-Nothing Scenario**

	Do-nothing		
	Net Income	Net Costs	Net operating profit
Year 1	£235,000	£251,377	-£16,377
Year 2	£235,000	£255,036	-£20,036
Year 3	£235,000	£258,787	-£23,787
Year 4	£235,000	£262,632	-£27,632
Year 5	£235,000	£266,573	-£31,573

*Net income is best case and could be significantly lower*

*Net costs assume an annual inflation increase and include:*

*Loan repayment on Prudential borrowing (dilapidation) and annual general maintenance*

## Market Relocation

	Re-site		
	Net Income	Net Costs	Net operating profit
Year 1	£390,000	£446,975	-£56,975
Year 2	£427,061	£465,790	-£38,729
Year 3	£474,791	£485,279	-£10,488
Year 4	£509,609	£505,817	£3,792
Year 5	£535,089	£527,457	£7,632

*Based on theoretical 15,000 sq. ft. building*

*Net costs includes service charge, occupational rent and re-payment of Prudential borrowing*