
INFORMATION UPDATE

Briefing Paper by Chief Financial Officer

CHAMBERS INSITUTE TRUST

12 June 2018

1 PURPOSE AND SUMMARY

- 1.1 **This briefing paper is to provide members of the Trust with a high level overview of the cost of borrowing and the current income of the Trust.**

2 CAPTIAL BORROWING

- 2.1 The previous preferred option from the presentation on 29th November indicated capital expenditure of around £3.5m to £4m. The table below shows the annual repayment of borrowing these amounts overs a 10 or 20 year period.

	10 Year Loan £000's pa	20 Year Loan £000's pa
£3.5m borrowed	389	225
£4m borrowed	444	257

- 2.2 The figures shown above are based on current interest rates. The actual rate will be dependent upon the prevailing rate as at the time of the actual loan.

3 CURRENT INCOME

- 3.1 The Chambers Institute Trust current has the following income

	£000's pa
Rental Income	33
Investment Income	3
Total annual income	36

- 3.2 This level of income would fund around £0.5m borrowing costs, leaving a gap of £3m to £3.5m to be funded.

4 NEXT STEPS

- 4.1 There are a number of areas which require consideration and further costing work to be undertaken. These include but are not limited to the following
- Running costs – the increased floor area may result in increased running costs such as rates, Insurance, heating and lighting etc.
 - Increased Income – additional and more usable rental space may increase the overall income generated by the building
 - Capital Grants – there may be opportunities to obtain capital grants to fill the funding gap.
 - Revenue Grants – there may be opportunities to obtain revenue grants for the early years of the finished project.
- 4.2 All of the above should form part of a full business case which will require to be developed to support applications to external funders and prior to inclusion in the capital program.

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