

Appendix 2 – Summary of modelled Business Plan Scenarios

The graph below shows the cash flow projections of modelled Business Plan Scenarios in arriving at the 2020-21 recommended Base Case.

Option 1 is not recommended. Whilst it incorporates all approved housing growth projects and maintains sufficient operating balances throughout the life of the plan, it does not allow for further borrowing to deliver the Council's ambitious housing growth programme.

Option 2 includes all approved housing growth projects and all Phase 2 pipeline schemes. It maintains sufficient operating balances throughout the life of the plan. Capital investment in housing growth has increased by £13.5m. Further borrowing of £2.7m is required from Year 25 of the plan.

Option 3 (preferred) includes all approved housing growth projects and remaining Phase 2 and Phase 3 housing growth schemes. It maintains lower operating balances throughout the life of the plan. It includes a further £65m of investment in housing growth when compared to Option 1. It demonstrates remaining pipeline schemes to be put forward for approval are affordable but with a higher degree of risk. It requires borrowing of £35m from Year 3 to fund the build programme. This results in cost of borrowing being higher by £1m per annum throughout the plan.

