Appendix B

Economic Financial Analysis

Beacons Learning Campus – Economic and Financial Appraisal

This appendix contains the economic and financial appraisals for the following options:

- **Option 1 –** 'Do nothing' –refurbish schools and college.
- **Option 4 –** New build Brecon High School 11-18
- **Option 7 –** Establish new single sited secondary school to replace Brecon HS and Gwernyfed HS 11 – 18
- **Option 10 –** Establish new build Lifelong Learning Campus to include a new secondary school 11 – 18, replacing Brecon HS and Gwernyfed HS, & new Vocational College
- **Option 11 –** Establish new build Lifelong Learning Campus to include a new secondary school 11 – 16, replacing Brecon HS and Gwernyfed HS & new Sixth Form Academy/Vocational College.

The discount rate used for all options is 3.5% (30 years) and 3% for the following 30 years. The assumed life of the options is taken as 60 years in all cases. Costs are estimated on a current year basis – no allowance has been made for inflation and capital costs are shown net of any tax, such as VAT.

The breakdown of costs and cash releasing benefits for the five options are shown in the table below.

All costs in £'000s

Description	Option 1	Option 4	Option 7	Option 10	Option 11
Capital Related Costs					
Capital works	-£19,303	-£31,294	-£31,474	-£45,423	-£45,423
Risk Retained	-£6,560	-£2,479	-£2,527	-£3,030	-£3,030
Optimism bias	-£2,056	-£844	-£872	-£1,553	-£1,553
Opportunities Foregone	-£6,976	-£6,976	-£2,670	-£2,670	-£2,670
Revenue related					
Old Revenue	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478
New Revenue			-£6,178	-£6,162	-£6,030
Lifecycle Costs	-£19,360	-£19,448	-£16,658	-£19,078	-£19,078
Benefits					
Cash Releasing			£211	£211	£211

Summary of Options

A summary of the economic appraisal for each option is set out in the tables below.

Option 1 Do Nothing' - refurbish school, leisure facilities & college.		
	Undiscounted (£'000s)	Net Present Value (£'000s)
Refurbishment Capital Cost	-£19,303	-£18,976
Opportunities Foregone	-£6,976	-£5,873
Revenue/Current Cost	-£388,675	-£170,132
Lifecycle Costs	-£19,360	-£5,980
Risk Retained	-£6,560	-£6,449
Optimism Bias	-£2,056	-£2,021
Total costs	**-£442,929**	**-£209,431**
Less: cash releasing benefits	£0	£0
Costs net cash savings	-£442,929	-£209,431
Total	**-£442,929**	**-£209,431**

Option 4 New build Brecon High School 11-18		
	Undiscounted (£'000s)	Net Present Value (£'000s)
New Build Capital Cost	-£11,991	-£10,462
Refurbishment Capital Cost	-£19,303	-£18,976
Opportunities Foregone	-£6,976	-£5,873
Revenue/Current Cost	-£388,675	-£170,132
Lifecycle Costs	-£19,488	-£6,019
Risk Retained	-£2,479	-£2,163
Optimism Bias	-£844	-£736
Total costs	**-£449,755**	**-£214,362**
Less: cash releasing benefits	£0	£0
Costs net cash savings	-£449,755	-£214,362
Total	**-£449,755**	**-£214,362**

Option 7 Establish new single sited secondary school to replace Brecon HS and Gwernyfed HS 11 – 18		
	Undiscounted (£'000s)	**Net Present Value (£'000s)**
New Build Capital Cost	-£20,473	-£17,863
Refurbishment Capital Cost	-£11,001	-£10,815
Opportunities Forgone	-£2,670	-£2,248
Revenue Cost	-£372,285	-£163,752
Lifecycle Costs	-£16,658	-£5,145
Project Risk	-£2,527	-£2,204
Optimism Bias	-£872	-£761
Total costs	**-£426,485**	**-£202,789**
Less: cash releasing benefits	£5,807	£2,492
Costs net cash savings	-£420,678	-£200,297
Total	**-£420,678**	**-£200,297**

Option 10 Establish new build Lifelong Learning Campus to include a new secondary school 11 – 18, replacing Brecon HS and Gwernyfed HS, & new Vocational College		
	Undiscounted (£'000s)	**Net Present Value (£'000s)**
New Build Capital Cost	-£45,423	-£39,633
Opportunities Forgone	-£2,670	-£2,248
Lifecycle Costs	-£371,400	-£163,408
Revenue Cost	-£19,078	-£5,879
Project Risk	-£3,030	-£2,644
Optimism Bias	-£1,553	-£1,355
Total costs	**-£443,155**	**-£215,167**
Less: cash releasing benefits	£5,807	£2,492
Costs net cash savings	-£437,347	-£212,675
Total	**-£437,347**	**-£212,675**

Option 11 Establish new build Lifelong Learning Campus to include a new secondary school 11 – 16, replacing Brecon HS and Gwernyfed HS & new Sixth Form/Vocational College.		
	Undiscounted (£'000s)	**Net Present Value (£'000s)**
New Build Capital Cost	-£45,423	-£39,633
Opportunities Forgone	-£2,670	-£2,248
Lifecycle Costs	-£19,078	-£5,892
Revenue Cost	-£364,210	-£160,609
Project Risk	-£3,030	-£2,644
Optimism Bias	-£1,553	-£1,355
Total costs	**-£435,965**	**-£212,381**
Less: cash releasing benefits	£12,783	£8,365
Costs net cash savings	-£423,182	-£204,016
Total	**-£423,182**	**-£204,016**

Economic and Financial Appraisal for Option 1

The economic appraisal for Option 1 is shown in the table below. This is based on the current revenue expenditure for the existing schools.

£'000s	NPV	Total Cost	Years (years 8-60 same as year 7)							
			0	1	2	3	4	5	6	7
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
CAPITAL COSTS										
Construction Capital	-£18,976	-£19,303	-£9,651	-£9,651	£0	£0	£0	£0	£0	£0
Backlog Maintenance	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Cost Total	**-£18,976**	**-£19,303**	**-£9,651**	**-£9,651**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**
REVENUE COST										
"Old" Revenue (FF) Cost	-£170,132	-£388,675	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Lifecycle Cost	-£5,980	-£19,360	£0	£0	£0	£0	£0	£0	£0	£0
Revenue/Current Cost Total	**-£176,111**	**-£408,035**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**
RISK RETAINED										
Project Risks	-£6,449	-£6,560	-£3,280	-£3,280	£0	£0	£0	£0	£0	£0
Optimism Bias	-£2,021	-£2,056	-£1,028	-£1,028	£0	£0	£0	£0	£0	£0
Risk Retained Total	-£8,470	-£8,616	-£4,308	-£4,308	£0	£0	£0	£0	£0	£0
TOTAL COST	**-£203,558**	**-£435,953**	**-£20,437**	**-£20,437**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**
BENEFITS										
Cash releasing										
Capital Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Opportunities Forgone	-£5,873	-£6,976	£0	£0	£0	£0	£0	-£6,976	£0	£0
Removal of Surplus Places	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
School Closure	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Benefits Totals	**-£5,873**	**-£6,976**	**£0**	**£0**	**£0**	**£0**	**£0**	**-£6,976**	**£0**	**£0**
Cost Net Savings	**-£209,431**	**-£442,929**	**-£20,437**	**-£20,437**	**-£6,478**	**-£6,478**	**-£6,478**	**-£13,454**	**-£6,478**	**-£6,478**
TOTAL	**-£209,431**	**-£442,929**	**-£20,437**	**-£20,437**	**-£6,478**	**-£6,478**	**-£6,478**	**-£13,454**	**-£6,478**	**-£6,478**

The results of the financial analysis for Option 1 are given in the table below:

£'000s	NPV	Total Cost	Years (years 8-60 same as year 7)							
			0	1	2	3	4	5	6	7
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
CAPITAL COSTS										
Construction Capital	-£18,976	-£19,303	-£9,651	-£9,651	£0	£0	£0	£0	£0	£0
Backlog Maintenance	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Costs Total	**-£18,976**	**-£19,303**	**-£9,651**	**-£9,651**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**
REVENUE/CURRENT COSTS										
"Old" Revenue (FF) Cost	-£170,132	-£388,675	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Lifecycle Cost	-£5,980	-£19,360	£0	£0	£0	£0	£0	£0	£0	£0
Revenue/Current Costs Total	**-£176,111**	**-£408,035**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**
Total Costs	**-£195,088**	**-£427,337**	**-£16,129**	**-£16,129**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**
BENEFITS										
Cash releasing										
Capital Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Staff Savings	-£5,873	-£6,976	£0	£0	£0	£0	£0	-£6,976	£0	£0
Removal of Surplus Places	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
School Closure	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Cash Releasing Benefits Total	**-£5,873**	**-£6,976**	**£0**	**£0**	**£0**	**£0**	**£0**	**-£6,976**	**£0**	**£0**
Cost Net Cash Savings	**-£200,961**	**-£434,313**	**-£16,129**	**-£16,129**	**-£6,478**	**-£6,478**	**-£6,478**	**-£13,454**	**-£6,478**	**-£6,478**
Total	**-£200,961**	**-£434,313**	**-£16,129**	**-£16,129**	**-£6,478**	**-£6,478**	**-£6,478**	**-£13,454**	**-£6,478**	**-£6,478**

Economic and Financial Appraisal for Option 4:

The economic appraisal for Option 4 is shown in the table below.

£'000s	NPV	Total Cost	Years (years 8-60 same as year 7)							
			0	1	2	3	4	5	6	7
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
CAPITAL COSTS										
New Build Capital	-£10,462	-£11,991	-£13	-£11	-£78	-£2,992	-£5,983	-£2,914	£0	£0
Refurbishment Capital	-£18,976	-£19,303	-£9,651	-£9,651	£0	£0	£0	£0	£0	£0
Capital Cost Total	**-£29,439**	**-£31,294**	**-£9,665**	**-£9,662**	**-£78**	**-£2,992**	**-£5,983**	**-£2,914**	**£0**	**£0**
REVENUE COST										
"Old" Revenue (FF) Cost	-£170,132	-£388,675	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Lifecycle Cost	-£6,019	-£19,488	£0	£0	£0	£0	£0	£0	£0	£0
Revenue/Current Cost Total	**-£176,151**	**-£408,162**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**
RISK RETAINED										
Project Risks	-£2,163	-£2,479	-£3	-£2	-£16	-£618	-£1,237	-£602	£0	£0
Optimism Bias	-£736	-£844	-£1	-£1	-£5	-£211	-£421	-£205	£0	£0
Risk Retained Total	**-£2,899**	**-£3,323**	**-£4**	**-£3**	**-£22**	**-£829**	**-£1,658**	**-£807**	**£0**	**£0**
TOTAL COST	**-£208,489**	**-£442,779**	**-£16,146**	**-£16,143**	**-£6,577**	**-£10,299**	**-£14,120**	**-£10,199**	**-£6,478**	**-£6,478**
BENEFITS										
Cash releasing										
Capital Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Opportunities Foregone	-£5,873	-£6,976	£0	£0	£0	£0	£0	-£6,976	£0	£0
Removal of Surplus Places	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
School Closure	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Benefits Totals	**-£5,873**	**-£6,976**	**£0**	**£0**	**£0**	**£0**	**£0**	**-£6,976**	**£0**	**£0**
Cost Net Savings	**-£214,362**	**-£449,755**	**-£16,146**	**-£16,143**	**-£6,577**	**-£10,299**	**-£14,120**	**-£17,175**	**-£6,478**	**-£6,478**
TOTAL	**-£214,362**	**-£449,755**	**-£16,146**	**-£16,143**	**-£6,577**	**-£10,299**	**-£14,120**	**-£17,175**	**-£6,478**	**-£6,478**

The results of the financial analysis for Option 4 are given in the table below:

£'000s	NPV	Total Cost	Years (years 8-60 same as year 7)							
			0	1	2	3	4	5	6	7
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
CAPITAL COSTS										
New Build Capital	-£10,462	-£11,991	-£13	-£11	-£78	-£2,992	-£5,983	-£2,914	£0	£0
Refurbishment Capital	-£18,976	-£19,303	-£9,651	-£9,651	£0	£0	£0	£0	£0	£0
Capital Costs Total	**-£29,439**	**-£31,294**	**-£9,665**	**-£9,662**	**-£78**	**-£2,992**	**-£5,983**	**-£2,914**	**£0**	**£0**
REVENUE COSTS										
"Old" Revenue (FF) Cost	-£170,132	-£388,675	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Lifecycle Cost	-£6,019	-£19,488	£0	£0	£0	£0	£0	£0	£0	£0
Revenue/Current Costs Total	**-£176,151**	**-£408,162**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**
Total Costs	**-£205,590**	**-£439,456**	**-£16,142**	**-£16,140**	**-£6,556**	**-£9,470**	**-£12,461**	**-£9,392**	**-£6,478**	**-£6,478**
BENEFITS										
Cash releasing										
Capital Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other Savings	-£5,873	-£6,976	£0	£0	£0	£0	£0	-£6,976	£0	£0
Removal of Surplus Places	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
School Closure	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Cash Releasing Benefits Total	**-£5,873**	**-£6,976**	**£0**	**£0**	**£0**	**£0**	**£0**	**-£6,976**	**£0**	**£0**
Cost Net Cash Savings	**-£211,463**	**-£446,432**	**-£16,142**	**-£16,140**	**-£6,556**	**-£9,470**	**-£12,461**	**-£16,367**	**-£6,478**	**-£6,478**
Total	**-£211,463**	**-£446,432**	**-£16,142**	**-£16,140**	**-£6,556**	**-£9,470**	**-£12,461**	**-£16,367**	**-£6,478**	**-£6,478**

Economic and Financial Appraisal for Option 7:

The economic appraisal for Option 7 is shown in the table below.

£'000s	NPV	Total Cost	Years (years 8-60 same as year 7)							
			0	1	2	3	4	5	6	7
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
CAPITAL COSTS										
New Build Capital	-£17,863	-£20,473	-£23	-£18	-£133	-£5,108	-£10,216	-£4,975	£0	£0
Refurbishment Capital	-£10,815	-£11,001	-£5,501	-£5,501	£0	£0	£0	£0	£0	£0
Capital Cost Total	**-£28,678**	**-£31,474**	**-£5,523**	**-£5,519**	**-£133**	**-£5,108**	**-£10,216**	**-£4,975**	**£0**	**£0**
REVENUE COST										
"Old" Revenue (FF) Cost	-£32,453	-£34,981	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£2,591	£0	£0
"New" Revenue (FF) Cost	-£131,298	-£337,304	£0	£0	£0	£0	£0	-£3,707	-£6,178	-£6,178
Lifecycle Cost	-£5,145	-£16,658	£0	£0	£0	£0	£0	£0	£0	£0
Revenue Cost Total	**-£168,897**	**-£388,942**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,298**	**-£6,178**	**-£6,178**
RISK RETAINED										
Project Risks	-£2,204	-£2,527	-£3	-£2	-£16	-£630	-£1,261	-£614	£0	£0
Optimism Bias	-£761	-£872	-£1	-£1	-£6	-£218	-£435	-£212	£0	£0
Risk Retained Total	**-£2,966**	**-£3,399**	**-£4**	**-£3**	**-£22**	**-£848**	**-£1,696**	**-£826**	**£0**	**£0**
TOTAL COST	**-£200,541**	**-£423,815**	**-£12,005**	**-£12,000**	**-£6,633**	**-£12,434**	**-£18,390**	**-£12,099**	**-£6,178**	**-£6,178**
BENEFITS										
Cash releasing										
Capital Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Opportunities Foregone	-£2,248	-£2,670	£0	£0	£0	£0	£0	-£2,670	£0	£0
Removal of Surplus Places	£2,288	£5,581	£0	£0	£0	£98	£98	£98	£98	£98
School Closure	£204	£226	£0	£0	£0	£226	£0	£0	£0	£0
Benefits Totals	**£243**	**£3,137**	**£0**	**£0**	**£0**	**£324**	**£98**	**-£2,572**	**£98**	**£98**
Cost Net Savings	**-£200,297**	**-£420,678**	**-£12,005**	**-£12,000**	**-£6,633**	**-£12,110**	**-£18,292**	**-£14,671**	**-£6,080**	**-£6,080**
TOTAL	**-£200,297**	**-£420,678**	**-£12,005**	**-£12,000**	**-£6,633**	**-£12,110**	**-£18,292**	**-£14,671**	**-£6,080**	**-£6,080**

The results of the financial analysis for Option 7 are given in the table below:

£'000s	NPV	Total Cost	Years (years 8-60 same as year7)							
			0	1	2	3	4	5	6	7
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
CAPITAL COSTS										
New Build Capital	-£17,863	-£20,473	-£23	-£18	-£133	-£5,108	-£10,216	-£4,975	£0	£0
Refurbishment Capital	-£10,815	-£11,001	-£5,501	-£5,501	£0	£0	£0	£0	£0	£0
Capital Costs Total	**-£28,678**	**-£31,474**	**-£5,523**	**-£5,519**	**-£133**	**-£5,108**	**-£10,216**	**-£4,975**	**£0**	**£0**
REVENUE/CURRENT COSTS										
"Old" Revenue (FF) Cost	-£32,453	-£34,981	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£2,591	£0	£0
"New" Revenue (FF) Cost	-£131,298	-£337,304	£0	£0	£0	£0	£0	-£3,707	-£6,178	-£6,178
Lifecycle Cost	-£5,145	-£16,658	£0	£0	£0	£0	£0	£0	£0	£0
Revenue/Current Costs Total	**-£168,897**	**-£388,942**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,298**	**-£6,178**	**-£6,178**
Total Costs	**-£197,575**	**-£420,416**	**-£12,001**	**-£11,997**	**-£6,611**	**-£11,586**	**-£16,694**	**-£11,273**	**-£6,178**	**-£6,178**
BENEFITS										
Cash releasing										
Capital Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Opportunities Forgone	-£2,248	-£2,670	£0	£0	£0	£0	£0	-£2,670	£0	£0
Removal of Surplus Places	£2,288	£5,581	£0	£0	£0	£98	£98	£98	£98	£98
School Closure	£204	£226	£0	£0	£0	£226	£0	£0	£0	£0
Cash Releasing Benefits Total	**£243**	**£3,137**	**£0**	**£0**	**£0**	**£324**	**£98**	**-£2,572**	**£98**	**£98**
Cost Net Cash Savings	**-£197,332**	**-£417,279**	**-£12,001**	**-£11,997**	**-£6,611**	**-£11,262**	**-£16,596**	**-£13,845**	**-£6,080**	**-£6,080**
Total	**-£197,332**	**-£417,279**	**-£12,001**	**-£11,997**	**-£6,611**	**-£11,262**	**-£16,596**	**-£13,845**	**-£6,080**	**-£6,080**

Economic and Financial Appraisal for Option 10:

The economic appraisal for Option 10 is shown in the table below.

£'000s	NPV	Total Cost	Years (years 8-60 same as year 7)							
			0	1	2	3	4	5	6	7
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
CAPITAL COSTS										
New Build Capital	-£39,633	-£45,423	-£50	-£41	-£295	-£11,333	-£22,666	-£11,038	£0	£0
Refurbishment Capital	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Cost Total	**-£39,633**	**-£45,423**	**-£50**	**-£41**	**-£295**	**-£11,333**	**-£22,666**	**-£11,038**	**£0**	**£0**
REVENUE COST										
"Old" Revenue (FF) Cost	-£32,453	-£34,981	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£2,591	£0	£0
"New" Revenue (FF) Cost	-£130,954	-£336,419	£0	£0	£0	£0	£0	-£3,697	-£6,162	-£6,162
Lifecycle Cost	-£5,879	-£19,078	£0	£0	£0	£0	£0	£0	£0	£0
Revenue Cost Total	**-£169,286**	**-£390,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,288**	**-£6,162**	**-£6,162**
RISK RETAINED										
Project Risks	-£2,644	-£3,030	-£3	-£3	-£20	-£756	-£1,512	-£736	£0	£0
Optimism Bias	-£1,355	-£1,553	-£2	-£1	-£10	-£388	-£775	-£377	£0	£0
Risk Retained Total	**-£3,999**	**-£4,584**	**-£5**	**-£4**	**-£30**	**-£1,144**	**-£2,287**	**-£1,114**	**£0**	**£0**
TOTAL COST	**-£212,918**	**-£440,485**	**-£6,533**	**-£6,523**	**-£6,803**	**-£18,955**	**-£31,431**	**-£18,440**	**-£6,162**	**-£6,162**
BENEFITS										
Cash releasing										
Capital Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Opportunities Forgone	-£2,248	-£2,670	£0	£0	£0	£0	£0	-£2,670	£0	£0
Removal of Surplus Places	£2,288	£5,581	£0	£0	£0	£98	£98	£98	£98	£98
School Closure	£204	£226	£0	£0	£0	£226	£0	£0	£0	£0
Benefits Totals	**£243**	**£3,137**	**£0**	**£0**	**£0**	**£324**	**£98**	**-£2,572**	**£98**	**£98**
Cost Net Savings	**-£212,675**	**-£437,347**	**-£6,533**	**-£6,523**	**-£6,803**	**-£18,631**	**-£31,333**	**-£21,012**	**-£6,064**	**-£6,064**
TOTAL	**-£212,675**	**-£437,347**	**-£6,533**	**-£6,523**	**-£6,803**	**-£18,631**	**-£31,333**	**-£21,012**	**-£6,064**	**-£6,064**

The results of the financial analysis for Option 10 are given in the table below:

£'000s	NPV	Total Cost	Years (years 8-60 same as year 7)							
			0	1	2	3	4	5	6	7
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
CAPITAL COSTS										
New Build Capital	-£39,633	-£45,423	-£50	-£41	-£295	-£11,333	-£22,666	-£11,038	£0	£0
Refurbishment Capital	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Costs Total	**-£39,633**	**-£45,423**	**-£50**	**-£41**	**-£295**	**-£11,333**	**-£22,666**	**-£11,038**	**£0**	**£0**
REVENUE COSTS										
"Old" Revenue (FF) Cost	-£32,453	-£34,981	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£2,591	£0	£0
"New" Revenue (FF) Cost	-£130,954	-£336,419	£0	£0	£0	£0	£0	-£3,697	-£6,162	-£6,162
Lifecycle Cost	-£5,879	-£19,078	£0	£0	£0	£0	£0	£0	£0	£0
Revenue Costs Total	**-£169,286**	**-£390,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,288**	**-£6,162**	**-£6,162**
Total Costs	**-£208,919**	**-£435,901**	**-£6,528**	**-£6,519**	**-£6,773**	**-£17,811**	**-£29,144**	**-£17,326**	**-£6,162**	**-£6,162**
BENEFITS										
Cash releasing										
Capital Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Opportunities Forgone	-£2,248	-£2,670	£0	£0	£0	£0	£0	-£2,670	£0	£0
Removal of Surplus Places	£2,288	£5,581	£0	£0	£0	£98	£98	£98	£98	£98
School Closure	£204	£226	£0	£0	£0	£226	£0	£0	£0	£0
Cash Releasing Benefits Total	**£243**	**£3,137**	**£0**	**£0**	**£0**	**£324**	**£98**	**-£2,572**	**£98**	**£98**
Cost Net Cash Savings	**-£208,676**	**-£432,764**	**-£6,528**	**-£6,519**	**-£6,773**	**-£17,487**	**-£29,046**	**-£19,898**	**-£6,064**	**-£6,064**
Total	**-£208,676**	**-£432,764**	**-£6,528**	**-£6,519**	**-£6,773**	**-£17,487**	**-£29,046**	**-£19,898**	**-£6,064**	**-£6,064**

Economic and Financial Appraisal for Option 11:

The economic appraisal for Option 11 is shown in the table below.

£'000s	NPV	Total Cost	Years (years 8-60 same as year 7)							
			0	1	2	3	4	5	6	7
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
CAPITAL COSTS										
New Build Capital	-£39,633	-£45,423	-£50	-£41	-£295	-£11,333	-£22,666	-£11,038	£0	£0
Refurbishment Capital	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Cost Total	**-£39,633**	**-£45,423**	**-£50**	**-£41**	**-£295**	**-£11,333**	**-£22,666**	**-£11,038**	**£0**	**£0**
REVENUE COST										
"Old" Revenue (FF) Cost	-£32,453	-£34,981	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£2,591	£0	£0
"New" Revenue (FF) Cost	-£128,155	-£329,229	£0	£0	£0	£0	£0	-£3,618	-£6,030	-£6,030
Lifecycle Cost	-£5,892	-£19,078	£0	£0	£0	£0	£0	£0	£0	£0
Revenue Cost Total	**-£166,501**	**-£383,287**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,209**	**-£6,030**	**-£6,030**
RISK RETAINED										
Project Risks	-£2,644	-£3,030	-£3	-£3	-£20	-£756	-£1,512	-£736	£0	£0
Optimism Bias	-£1,355	-£1,553	-£2	-£1	-£10	-£388	-£775	-£377	£0	£0
Risk Retained Total	**-£3,999**	**-£4,584**	**-£5**	**-£4**	**-£30**	**-£1,144**	**-£2,287**	**-£1,114**	**£0**	**£0**
TOTAL COST	**-£210,133**	**-£433,294**	**-£6,533**	**-£6,523**	**-£6,803**	**-£18,955**	**-£31,431**	**-£18,361**	**-£6,030**	**-£6,030**
BENEFITS										
Cash releasing										
Capital Receipts	£5,873	£6,976	£0	£0	£0	£0	£0	£6,976	£0	£0
Opportunities Forgone	-£2,248	-£2,670	£0	£0	£0	£0	£0	-£2,670	£0	£0
Removal of Surplus Places	£2,288	£5,581	£0	£0	£0	£98	£98	£98	£98	£98
School Closure	£204	£226	£0	£0	£0	£226	£0	£0	£0	£0
Benefits Totals	**£6,117**	**£10,113**	**£0**	**£0**	**£0**	**£324**	**£98**	**£4,403**	**£98**	**£98**
Cost Net Savings	**-£204,016**	**-£423,182**	**-£6,533**	**-£6,523**	**-£6,803**	**-£18,631**	**-£31,333**	**-£13,957**	**-£5,932**	**-£5,932**
TOTAL	**-£204,016**	**-£423,182**	**-£6,533**	**-£6,523**	**-£6,803**	**-£18,631**	**-£31,333**	**-£13,957**	**-£5,932**	**-£5,932**

The results of the financial analysis for Option 11 are given in the table below:

£'000s	NPV	Total Cost	Years (years 8-60 same as year 7							
			0	1	2	3	4	5	6	7
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
CAPITAL COSTS										
New Build Capital	-£39,633	-£45,423	-£50	-£41	-£295	-£11,333	-£22,666	-£11,038	£0	£0
Refurbishment Capital	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Costs Total	**-£39,633**	**-£45,423**	**-£50**	**-£41**	**-£295**	**-£11,333**	**-£22,666**	**-£11,038**	**£0**	**£0**
REVENUE COSTS										
"Old" Revenue (FF) Cost	-£32,453	-£34,981	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£2,591	£0	£0
"New" Revenue (FF) Cost	-£128,155	-£329,229	£0	£0	£0	£0	£0	-£3,618	-£6,030	-£6,030
Lifecycle Cost	-£5,892	-£19,078	£0	£0	£0	£0	£0	£0	£0	£0
Revenue Costs Total	**-£166,501**	**-£383,287**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,478**	**-£6,209**	**-£6,030**	**-£6,030**
Total Costs	**-£206,134**	**-£428,711**	**-£6,528**	**-£6,519**	**-£6,773**	**-£17,811**	**-£29,144**	**-£17,247**	**-£6,030**	**-£6,030**
BENEFITS										
Cash releasing										
Capital Receipts	£5,873	£6,976	£0	£0	£0	£0	£0	£6,976	£0	£0
Other Savings	-£2,248	-£2,670	£0	£0	£0	£0	£0	-£2,670	£0	£0
Removal of Surplus Places	£2,288	£5,581	£0	£0	£0	£98	£98	£98	£98	£98
School Closure	£204	£226	£0	£0	£0	£226	£0	£0	£0	£0
Cash Releasing Benefits Total	**£6,117**	**£10,113**	**£0**	**£0**	**£0**	**£324**	**£98**	**£4,403**	**£98**	**£98**
Cost Net Cash Savings	**-£200,017**	**-£418,598**	**-£6,528**	**-£6,519**	**-£6,773**	**-£17,487**	**-£29,046**	**-£12,844**	**-£5,932**	**-£5,932**
Total	**-£200,017**	**-£418,598**	**-£6,528**	**-£6,519**	**-£6,773**	**-£17,487**	**-£29,046**	**-£12,844**	**-£5,932**	**-£5,932**

Impact on Overall Income and Expenditure – Option 11 Recommended Option

The anticipated payment stream for the project over its intended life span is set out in the following table for the preferred Option 11. The funding line includes the existing funding streams for the schools. All figures exclude VAT. It is assumed that VAT is totally recoverable by the Council but expert tax advice will, as necessary, be sought regarding the payment or avoidance of VAT on new schools.

£'000s	Total Cost	Years (years 8-60 same as year 7)							
		0	1	2	3	4	5	6	7
		13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Preferred way forward:									
New Build Capital	-45,423	-£50	-£41	-£295	-£11,333	-£22,666	-£11,038	£0	£0
Revenue/Current Cost	-383,287	-£6,478	-£6,478	-£6,478	-£6,478	-£6,478	-£6,209	-£6,030	-£6,030
Cash Releasing Benefits	10,113	£0	£0	£0	£324	£98	£4,403	£98	£98
Total	**-418,598**	**-£6,528**	**-£6,519**	**-£6,773**	**-£17,487**	**-£29,046**	**-£12,844**	**-£5,932**	**-£5932**
Funded by:									
Existing Revenue	388,675	£6,478	£6,478	£6,478	£6,478	£6,478	£6,478	£6,478	£6,478
Total Existing	**388,675**	**£6,478**	**£6,478**	**£6,478**	**£6,478**	**£6,478**	**£6,478**	**£6,478**	**£6,478**
Additional Funding Required	**-29,923**	**-£50**	**-£41**	**-£295**	**-£11,009**	**-£22,568**	**-£6,366**	**£546**	**-£39,691**
Cumulative Funding		-£50	-£91	-£386	-£11,395	-£33,964	-£40,329	-£39,783	-£39,237