

Project Name: Laura Chambers Refurbishment

Project Description: Reprovision of Oakdene residential unit to refurbished Laura Chambers Lodge

Project Sponsor: Paul Haigh
Project Manager: Susan Foster
Finance Contact: Tim Gallimore

Versions:

- v1 As per business case (24th March 2016) assumptions

- v3 Capital Cost Increase
Savings Decrease
Additional Costs Decrease

Laura Chambers Refurbishment			
	Scenario 1	Scenario 2	Scenario 3
Total Capital Cost	£700,000	£2,782,000	£4,500,000
Maximum Cashflow Deficit	-£1,031,857		-£191,616
Year Cashflow Breaks Even	n/a		n/a
Net Present Value @ 6.09% Discount Rate	-£669,788		-£385,899
Internal Rate of Return	n/a		2.02%

Assumptions			
Variable	Scenario 1	Scenario 2	Scenario 3
	Business Case Option 2 - Minimal refurbishment to Laura Chambers	Business Case Option 3 - The preferred option	Business Case Option 4 - New build facility on same site
Capital Cost	£700,000	£2,782,000	£4,500,000
Oakdene net capital receipt	£100,000	£100,000	£100,000
Capital Programme Provision	£195,000	£195,000	£195,000
Prudential Borrowing	£405,000	£2,487,000	£4,205,000
Additional Complex Needs Beds		6	6
Complex Needs Income per Week		1,875	1,875
Complex Needs Occupancy		90%	90%
Complex Needs Year 1 Occupancy		50%	50%
Additional Respite Beds		2	2
Respite Income per Week		1,000	1,000
Respite Occupancy		90%	90%
Additional Permanent Beds		1	1
Permanent Bed Income per Week		900	£1,100
Permanent Occupancy		50%	90%
Additional Running Costs per year	£0	£459,000	£459,000
Sinking Fund per year	£0	£0	£38,000
Redundancy Costs (one off)	£45,000	£0	£0
Residual Value	nil	nil	nil
Borrowing Period	20 Years	20 Years	20 Years
Borrowing Rate	2.85%	2.85%	2.85%

Scenario 2

Capital			
Capital Costs	£		2,782,000
(includes refurbishment, new build & fees)			
Oakdene Capital Receipt (net of demolition costs)	£		100,000
Capital Programme Provision	£		195,000
Build Time		12 months	
Prudential Borrowing	£		2,487,000
Borrowing Rate	%		2.85%
Savings			
Additional Complex Needs Beds	#		6
Complex Needs Saving per Week	£		1,875
Complex Needs Occupancy	%		90%
Complex Needs Year 1 Occupancy	%		50%
Additional Permanent Beds	#		2
Permanent Bed Saving per Week	£		1,000
Permanent Occupancy	%		90%
Additional Respite Beds	#		1
Respite Saving per Week	£		900
Respite Occupancy	%		50%
Expenditure			
Additional Costs per year	£		459,000
Redundancy Costs year 1	£		-
Sinking Fund p.a.	£		-

	1	2	3
Business Case	Business Case	Business Case	
Option 2	Option 3	Option 4	
	700,000	2,782,000	4,500,000
	100,000	100,000	100,000
	195,000	195,000	195,000
	6 months	12 months	21 months
	2.85%	2.85%	2.85%
	-	6	6
	-	1,875	1,875
	-	90%	90%
	-	50%	50%
	-	2	2
	-	1,000	1,000
	-	90%	90%
	-	1	1
	-	900	900
	-	50%	50%
	-	459,000	459,000
	45,000	-	-
	-	-	38,000

Rate as at 11.05.16 plus 0.25%

2500 1,875 1250

Principal	£ 2,487,000
Years	25
Rate	3.00%

Year	ANNUITY			
	Amount Paid	of which interest	of which principal	Annuity Principal Outstanding
	£	£	£	£
0				2,487,000
0.5	71,058	37,305	33,753	2,453,247
1	71,058	36,799	34,259	2,418,988
1.5	71,058	36,285	34,773	2,384,215
2	71,058	35,763	35,295	2,348,921
2.5	71,058	35,234	35,824	2,313,097
3	71,058	34,696	36,361	2,276,735
3.5	71,058	34,151	36,907	2,239,829
4	71,058	33,597	37,460	2,202,368
4.5	71,058	33,036	38,022	2,164,346
5	71,058	32,465	38,593	2,125,753
5.5	71,058	31,886	39,171	2,086,582
6	71,058	31,299	39,759	2,046,823
6.5	71,058	30,702	40,355	2,006,467
7	71,058	30,097	40,961	1,965,507
7.5	71,058	29,483	41,575	1,923,932
8	71,058	28,859	42,199	1,881,733
8.5	71,058	28,226	42,832	1,838,901
9	71,058	27,584	43,474	1,795,427
9.5	71,058	26,931	44,126	1,751,300
10	71,058	26,270	44,788	1,706,512
10.5	71,058	25,598	45,460	1,661,052
11	71,058	24,916	46,142	1,614,910
11.5	71,058	24,224	46,834	1,568,076
12	71,058	23,521	47,537	1,520,539
12.5	71,058	22,808	48,250	1,472,289
13	71,058	22,084	48,973	1,423,316
13.5	71,058	21,350	49,708	1,373,608
14	71,058	20,604	50,454	1,323,154
14.5	71,058	19,847	51,210	1,271,944
15	71,058	19,079	51,979	1,219,965
15.5	71,058	18,299	52,758	1,167,207