Addendum - Accommodation Strategy - Additional information

Following a request from some councillors, an additional cash flow projection for each option has been modelled (attached) which includes inflation provisions and the cost of the internal borrowing over a 20 year period. The resulting NPVs are summarised below.

	1. Remain in Municipal Offices (MO) and invest in planned maintenance programme	**2. New build on amalgamated Chelt Walk and Shopfitters site**	**3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC**	**4.New Build on Land by Asda**	**5. New Build Honeybourne Gate**

Published Cabinet and Council papers - 14th April 2015.

1. NPV calculation – (without inflation)

Net Present Value (NPV)	**£4.599m**	**£5.376m**	**£2.628m**	**£6.184m**	**£10.948m**
NPV Ranking	2	3	1	4	5

Alternative modelling including estimated inflationary increases over 20 years.

2. NPV calculation – (with inflation)

Net Present Value (NPV)	**£5.373m**	**£5.376m**	**£2.478m**	**£5.590m**	**£10.566m**
NPV Ranking	2	3	1	4	5

Alternatively, looking at pure cashflows for each option (summarised below) over the 20 year period (at current pay and price levels) the net cashflow also confirms that option 3 the acquisition of the town centre building is the best option.

Net cashflow	**£6.836m**	**£6.387m**	**£1.551m**	**£7.653m**	**£15.156m**
Ranking	3	2	1	4	5

As such, the various approaches provide further assurance that option 3 is the best option for the council.

Mark Sheldon – Director of Resources (Section 151 Officer)