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

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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)