

Appendix 9 Financial Analysis of shortlisted options CAB 15 12 2021

- Option 1** Do Minimum
- Option 2** SCC services vacate The Grange and relocate into existing library and remain in East Staffs Children's Centre
- Option 3** SCC services vacate The Grange and relocate into the existing library. Relocate FF Staff from East Staffs Children's Centre to library. Children's Centre will remain fully operational at the current site
- Option 4** Relocate Library to a Town Centre location. The Grange and East Staffs CC remain fully operational
- Option 5** Relocate Library, SCC services vacate The Grange and relocate FF staff only from East Staffs Children's Centre into the Market Hall (Stronger Towns Fund £7,308,000)
- Option 5a** Relocate Library, SCC services vacate The Grange and relocate FF staff only from East Staffs Children's Centre into the Market Hall but without Stronger Towns Funding (used for SCC internal comparison purposes)
- Option 6** Relocate Library, SCC services vacate The Grange and relocate FF staff only from East Staffs Children's Centre into the Market Hall but with Reduced Stronger Towns Funding £6,698,000
- Option 7** Relocate Library, SCC Services vacate The Grange and relocate FF staff only from East Staffs Children's Centre into the Market Hall - Stronger Towns Funding £6,991,549 (Relates to August 2020 Cost Plan increased with future inflation)
- Option 8A** Relocate Library, SCC Services vacate The Grange and relocate FF staff only from East Staffs Children's Centre into the Market Hall & Crossley House - Stronger Towns Funding £6,991,549 (SCC Fund increase in Project Cost of £1.036m)
- Option 8B** Relocate Library, SCC Services vacate The Grange and relocate FF staff only from East Staffs Children's Centre into the Market Hall & Crossley House - Stronger Towns Funding £6,991,549 (Alternative Non SCC funding source funds increase in Project Cost of £1.036m)

Note: Options 5, 5a, 6 and 7 are hidden from data shown below, as they are previous versions of Option 8a and 8b with now obsolete funding data

Capital Investment	Option 1	Option 2	Option 3	Option 4	Option 7	Option 8A	Option 8B
Refurbishment	-	1,385,100	1,482,800	1,240,800	7,979,572	8,259,931	8,259,931
Furniture	-	58,000	69,000	350,000	350,000	350,000	350,000
ICT (including Resources)	-	80,000	84,000	127,000	140,000	140,000	140,000
Fees (including Legal, SDLT, relocation costs etc)	-	35,000	45,000	119,000	50,000	52,000	52,000
Maintenance Backlog (1-10 Years)	1,708,000	1,050,000	1,050,000	466,000	293,000	293,000	293,000
Total Capital Investment	1,708,000	2,608,100	2,730,800	2,302,800	8,812,572	9,094,931	9,094,931
Maintenance Backlog (11-20 Years) *not included in calcs	2,313,000	833,000	833,000	915,000	361,000	361,000	361,000
Maintenance Backlog (21-30 Years) *not included in calcs	751,000	675,000	675,000	188,000	175,000	175,000	175,000
Internal Financing							
Borrowing*	1,708,000	2,608,100	2,730,800	2,302,800	-	1,036,382	-
Investment Funding	-	-	-	-	1,067,000	1,067,000	1,067,000
External Financing							
Stronger Towns Fund	-	-	-	-	6,991,549	6,991,549	6,991,549
Alternative Non SCC Funding Source TBC	-	-	-	-	754,023	-	1,036,382
Total Capital Funding	1,708,000	2,608,100	2,730,800	2,302,800	8,812,572	9,094,931	9,094,931
*Associated Revenue Debt Charges (£m)	80,000	121,000	127,000	107,000	-	48,000	0

Based on Capital Costs Vs Funding available, Option 8B provides Best Value for Money due to amount of External Funding available.

Revenue Investment	Option 1	Option 2	Option 3	Option 4	Option 7	Option 8A	Option 8B
Premise related running costs	259,000	188,000	188,000	340,000	234,000	241,000	241,000
ICT (desk booking)	0	4,000	5,000	7,000	7,000	7,000	7,000
Capital debt charges/cost of capital @ 4%	80,000	121,000	127,000	107,000	0	48,000	0
Estimated ongoing Revenue Costs	339,000	313,000	320,000	454,000	241,000	296,000	248,000
Existing Budget	259,000	259,000	259,000	259,000	259,000	259,000	259,000
Net effect MTFS (incl Capital Receipts/Borrowing)	(80,000)	(54,000)	(61,000)	(195,000)	18,000	(37,000)	11,000

Based on Revenue Costs Vs Budgets available, Option 8B provides Best Value for Money.

Total Cost of Ownership (Net Present Value)	Option 1	Option 2	Option 3	Option 4	Option 7	Option 8A	Option 8B
10 Year Horizon	8,042,891	6,550,666	6,681,896	8,119,780	5,329,722	5,826,311	4,789,929
20 Year Horizon	13,172,219	9,590,545	9,728,123	12,116,144	8,471,925	9,041,262	8,004,880
30 Year Horizon	17,823,722	12,681,923	12,824,223	15,683,257	11,752,719	12,397,579	11,361,197
40 Year Horizon	19,903,408	14,092,160	14,237,975	17,600,041	13,380,665	14,065,804	13,029,422
50 Year Horizon	21,450,890	15,141,509	15,289,939	19,026,308	14,592,010	15,307,120	14,270,738
60 Year Horizon	23,068,433	16,189,760	16,340,136	20,343,485	15,818,397	16,546,799	15,510,417

Based on NPV Calculations, Option 8B provides Best Value for Money

Other Considerations	Option 1	Option 2	Option 3	Option 4	Option 7	Option 8A	Option 8B
Climate Change Implications		Would require further investment	Would require further investment		Would require further investment	Would require further investment	Would require further investment
Capital Receipts*1	-	350,000	350,000	-	350,000	350,000	350,000

*1 Capital Receipts - Option 5, 5a, 6, 7 Assumption that there would be a straight Asset Swap Burton Library for Market Hall

*2 Capital Receipts - Option 8A & Option 8B Assumption that there would be a straight Asset Swap Burton Library for Market Hall & Crossley House

Income for Children's Centre - Potential Income not currently included in Budget data

Income for Café Area & Enterprise areas - Potential Income not currently included in Budget data