

**Low Cost Alternative
Government Contribution**

AVE 2002 RPI	176.20
Q2 2007 RPI	206.30
Q3 2003 RPF	1.00

Hucknall scheme costs - includes revised land costs and risk allowance but excludes Optimism Bias

COST BASE Q2 2007 PRICES			PRE 2006/07	07/08	08/09	09/10	10/11	11/12	TOTAL
1. LAND			0	0	0	0	1,447	0	1,447
2. ACCOM.WORKS			0	0	0	0	0	0	0
3. CONS.WORKS			0	0	0	0	1,495	3,490	4,985
4. FEES			0	75	92	113	65	0	345
TOTAL			0	75	92	113	3,007	3,490	6,777
Out turn prices. assuming inflation from 2006/07 *1			0	78	100	127	3,794	4895	8,993

CONSTRUCTION (91% 3+2)	4536
LAND (100% 1)	1,447
PREP.COSTS (100% 4)	345
SUPERVISION (9% 3+2)	449
TOTAL	6777

Q2 2007 PRICES

	Q2 2007 PRICES	YEAR	QUARTER	RPF	RPI (CONS)	RPI(LAND)	convert to 2002 PRICES
CONSTRUCTION	4536	2007	2	1.00	206.3	N/A	3874
LAND	1,447	2007	2	N/A	N/A	206.3	1236
PREPARATION	345	2007	2	1.00	206.3	N/A	295
SUPERVISION	449	2007	2	1.00	206.3	N/A	383
TOTAL	6777						5788

2002 prices

	PRE 2005	05/06	06/07	07/08	08/09	09/10	10/11	11/12	TOTAL
CONSTRUCTION	0	0	0	0	0	0	1,162	2,713	3,874
LAND	0	0	0	0	0	0	1,236	0	1,236
PREPARATION	0	0	0	64	79	97	56	0	295
SUPERVISION	0	0	0	0	0	0	115	268	383
TOTAL	0	0	0	64	79	97	2,568	2,981	5,788

	£	ROUNDED	DISCOUNT FACTOR (3.5% p.a)	DISCOUNTED To 2002
2002		0	1.000	0
2003		0	0.966	0
2004	0	0	0.934	0
2005	0	0	0.902	0
2006	0	0	0.871	0
2007	48	50	0.842	40
2008	75	70	0.814	60
2009	92	90	0.786	70
2010	1950	1950	0.759	1480
2011	2878	2880	0.734	2110
2012	745	750	0.709	530
2013	0	0	0.685	0
TOTAL	5788	5790	PVC	£4,290

FILE :HucknallpvcAug.xls

Present Value of Cost at 2002 discounted values in **resource prices**

£4,290

This cost must be expressed in market prices to ensure comparability with scored scheme benefits.
This conversion is achieved by multiplying the cost by the average rate of indirect taxation in the economy.
This is set at 1.209.

Hence the construction cost in 2002 **market prices** and values is

£4,290	x1.209	£5,187 *2
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*2 Note this excludes future road operating costs and indirect tax revenues.

*1 Land costs inflated at 5% pa compound to 2010
Fees inflated at 4% pa compound to 2010
Construction cost inflated at 7%pa compound to 2011

Out turn prices	PRE 2007/08	07/08	08/09	09/10	10/11	11/12	TOTAL
DfT funding	0	77,500	99,000	127,000	3,794,000	4,894,000	8,991,500
NCC funding	1,820,000	77,500	99,000	127,000	49,000	200,000	2,372,500
Developer contributions	0	0	0	0	0	0	0
Totals outturn prices	1,820,000	155,000	198,000	254,000	3,843,000	5,094,000	11,364,000
	1,820	155	198	254	3,843	5094	11,364