Low Cost Alternative
NCC 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			1,820	0	0	0	0	0	1,820
2. ACCOM.WORKS			0	0	0	0	0	0	0
3. CONS.WORKS			0	0	0	0	0	142	142
4. FEES			0	75	92	113	42	0	322
TOTAL			1,820	75	92	113	42	142	2,284
Out turn prices.			1,820	78	100	127	49	199	2,373
assuming inflation from 2006/07 *1									

CONSTRUCTION (91% 3+2)	129	
LAND (100% 1)	1,820	
PREP.COSTS (100% 4)	322	
SUPERVISION (9% 3+2)	13	
TOTAL	2284	Q2 2007 PRICES

	Q2 2007 PRICES	YEAR	QUARTER	RPF	RPI (CONS)	RPI(LAND)	convert to 2002 PRICES	
CONSTRUCTION	129	2007	2	1.00	206.3	N/A	110	
LAND	1,820	2007	2	N/A	N/A	206.3	1554	
PREPARATION	322	2007	2	1.00	206.3	N/A	275	
SUPERVISION	13	2007	2	1.00	206.3	N/A	11	
TOTAL	2284						1951	2002 prices

Table 6

	PRE 2005	05/06	06/07	07/08	08/09	09/10	10/11	11/12	TOTAL
CONSTRUCTION	0	0	0	0	0	0	0	110	110
LAND	0	0	1,554	0	0	0	0	0	1,554
PREPARATION	0	0	0	64	79	97	36	0	275
SUPERVISION	0	0	0	0	0	0	0	11	11
TOTAL	0	0	1,554	64	79	97	36	121	1,951

		£		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		1166		1170		0.871		1020
2007		437		440		0.842		370
2008		75		70		0.814		60
2009		92		90		0.786		70
2010		51		50		0.759		40
2011		100		100		0.734		70
2012		30		30		0.709		20
2013		0		0		0.685		0
TOTAL		1951		1950			PVC	£1,650

FILE :HucknallpvcAug.xls

Present Value of Cost at 2002 discounted values in **resource prices** £1,650

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 £1,650 x1.209 £1,995 *2

*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

Table 6