

Low Cost Alternative TOTAL cost

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	1,447	0	3,267
2. ACCOM.WORKS			0	0	0	0	0	0	0
3. CONS.WORKS			0	0	0	0	1,495	3,632	5,127
4. FEES			0	149	183	226	107	0	665
TOTAL			1,820	149	183	226	3,049	3,632	9,059
Out turn prices. assuming inflation from 2006/07 *1			1,820	155	198	254	3,843	5094	11,364

CONSTRUCTION (91% 3+2)	4666
LAND (100% 1)	3,267
PREP.COSTS (100% 4)	665
SUPERVISION (9% 3+2)	461
TOTAL	9059

Q2 2007 PRICES

	Q2 2007 PRICES	YEAR	QUARTER	RPF	RPI (CONS)	RPI(LAND)	convert to 2002 PRICES
CONSTRUCTION	4666	2007	2	1.00	206.3	N/A	3985
LAND	3,267	2007	2	N/A	N/A	206.3	2790
PREPARATION	665	2007	2	1.00	206.3	N/A	568
SUPERVISION	461	2007	2	1.00	206.3	N/A	394
TOTAL	9059						7737

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	2,823	3,985
LAND	0	0	1,554	0	0	0	1,236	0	2,790
PREPARATION	0	0	0	127	156	193	91	0	568
SUPERVISION	0	0	0	0	0	0	115	279	394
TOTAL	0	0	1,554	127	156	193	2,604	3,102	7,737

	£	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	484	480	0.842	400
2008	149	150	0.814	120
2009	184	180	0.786	140
2010	2001	2000	0.759	1520
2011	2978	2980	0.734	2190
2012	776	780	0.709	550
2013	0	0	0.685	0
TOTAL	7737	7740	PVC	£5,940

FILE :HucknallpvcAug.xls

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

£5,940

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

£5,940

x1.209

£7,181 *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