

Appendix 3.6

Present Value of Scheme Investment Costs

Calculation of Scheme Costs

Risk Adjusted Scheme Costs (June 2014 Prices)

Cost	Calendar Years			
	2015	2016	2017	2018
Other Costs	£573,750	£678,750	£522,500	£170,000
Construction	£2,088,750	£11,758,750	£8,772,500	£1,695,000
Land	£3,600,000	£1,803,750	£651,250	£750,000
Total	£6,262,500	£14,241,250	£9,946,250	£2,615,000

Adjustments

Civil Engineering inflation (base 2014)	1.0272	1.0544	1.0884	1.1293	
GDP Deflator (base 2014)	1.0160	1.0343	1.0539	1.0750	
Construction Inflation Adjustment Factor	1.0110	1.0195	1.0327	1.0504	
Adjusted Costs for Construction Inflation	£ 6,331,603	£ 14,518,475	£ 10,271,795	£ 2,746,924	
Optimism Bias (15%)	£ 7,281,343	£ 16,696,246	£ 11,812,564	£ 3,158,962	
Rebasefactor from 2014 to 2010 Factor (Based on GDP Deflator)	0.9406	0.9406	0.9406	0.9406	
2010 prices	£ 6,848,831	£ 15,704,489	£ 11,110,898	£ 2,971,320	
Discounted (3.5%pa to 2010)	£ 5,766,532	£ 12,775,612	£ 8,733,065	£ 2,256,455	
Adjust to Market Prices (1.19)	£ 6,862,173	£ 15,202,978	£ 10,392,348	£ 2,685,181	£ 35,142,680