

Appendix F: Financial Appraisal

	Option A: Essential Investment Option (recommended option)	Option B: Demolish Site Option
	Community / employment use	Rent out as yard space (warehouse / depot area)
	TEMPORARY USE	TEMPORARY USE
High Level Capital Cost (incl PV cost where applicable)	£7.00m	£1.75m
Less: contributions from WSOH & other sources	(£1.00m)	(£1.00m)
New Borrowing	£6.00m	£0.75m
Annual Borrowing Costs	(£0.76m)	(£0.10m)
Initial Annual Income	£0.76m	£0.07m -£0.11m
Initial Annual Surplus / (Deficit)	£0.00m	(£0.03m) - £0.01m
Initial return on capital investment before borrowing **	10.89%	4.25% - 6.25%
Initial return on capital investment after borrowing + provides net return/ - creates a revenue pressure	0.00%	-1.22% - 0.78%
Holding costs before development	£0.60m	£0.30m

* Includes borrowing costs associated with the £3.4m land acquisition costs as include this as they will be picked up in any future long-term option. In the shc

** Returns are based on fully occupied schemes.

Note: The figures provided in this table are based on initial high-level appraisal recommended option is progressed to a detailed stage.

Option C: Full (Heavy) Refurbishment Option	Option D: Full Demolition and Redevelopment Option	Option E: AME Unit Option
Full Community use	Retail Use	£15m already in Capital Programme
LONG-TERM	LONG-TERM	LONG-TERM
£17.06m	£20.97m	£19.62m
(£1.00m)	(£1.00m)	(£1.00m)
£16.06m	£19.97m	£18.62m
(£1.07m)*	(£1.29m)*	(£1.99m)*
£1.05m	£1.19m	£1.38m
(£0.02m)	(£0.10m)	(£0.61m)
5.13%	4.88%	6.27%
-0.11%	-0.41%	-2.75%
£0.75m	£0.90m	£0.45m

these are long term options. The temporary options do not
short term, these costs will need to be managed as part of the

ls of the options and may be subject to change as the