

Appendix B - Beer Pilot Business Case

	base	yr1	yr2	yr3	yr4	yr5	yr6	yr7	yr8	yr9	yr10	Totals
inflation est				2%	2%	2%	2%	2%	2%	2%	2%	2%
Beer PC Notional cost used in calculation only		57,500.00	58,650.00	59,823.00	61,019.46	62,239.85	63,484.65	64,754.34	66,049.43	67,370.41	68,717.82	
Income												
Income from Beach Court CP		12,000.00	12,240.00	12,484.80	12,734.50	12,989.19	13,248.97	13,513.95	13,784.23	14,059.91	14,341.11	
Lease and commercial income				5,000.00	5,100.00	8,202.00	8,366.04	8,533.36	10,704.03	10,918.11	11,136.47	
EDDC cash dowery, base sum less beach court car park	57,500.00	45,500.00	39,000.00	32,500.00	26,000.00	19,500.00	13,000.00	6,500.00	-			
Income total cash		57,500.00	51,240.00	49,984.80	43,834.50	40,691.19	34,615.01	28,547.31	24,488.26	24,978.02	25,477.58	
Costs												
Beer PC Fixed costs reducing as elements passed to tenants		12,000.00	11,000.00	11,220.00	8,000.00	8,160.00	8,323.20	6,000.00	6,120.00	6,242.40	6,367.25	
Beer PC materials and consumable costs		7,000.00	7,140.00	7,282.80	7,428.46	7,577.03	7,728.57	7,883.14	8,040.80	8,201.62	8,365.65	
EDDC contract		30,000.00	24,000.00	18,000.00	12,000.00	6,000.00						
Beer PC cost equiv for EDDC works	55%	-	3,300.00	6,600.00	9,900.00	13,200.00	16,500.00	16,500.00	16,500.00	16,500.00	16,500.00	
Notional cost/value of community works and efficiencies	15%	4,125.00	5,197.50	6,273.45	7,352.92	8,435.98	9,522.70	9,713.15	9,907.41	10,105.56	10,307.67	
Capital / sinking fund	10%	4,900.00	4,544.00	4,310.28	3,732.85	3,493.70	3,255.18	3,038.31	3,066.08	3,094.40	3,123.29	
Transfer legals, new income leases etc (Beer PC costs)		4,000.00	2,000.00	2,000.00								
Total costs including community works		62,025.00	57,181.50	55,686.53	48,414.22	46,866.71	45,329.64	43,134.60	43,634.29	44,143.98	44,663.86	
actual cash requirement		57,900.00	51,984.00	49,413.08	41,061.30	38,430.73	35,806.94	33,421.45	33,726.88	34,038.42	34,356.19	
Beer PC income (+) or savings to find (-)		- 400.00	- 744.00	571.72	2,773.19	2,260.46	- 1,191.93	- 4,874.14	- 9,238.62	- 9,060.40	- 8,878.60	- 28,782.32
EDDC savings through asset and cost transfer												
Estimated cost to EDDC if assets retained by EDDC		55,000.00	56,100.00	57,222.00	58,366.44	59,533.77	60,724.44	61,938.93	63,177.71	64,441.27	65,730.09	602,234.65
Costs to EDDC of transferring assets Cash		45,500.00	39,000.00	32,500.00	26,000.00	19,500.00	13,000.00	6,500.00	-	-	-	
Loss of Beach court income		12,000.00	12,240.00	12,484.80	12,734.50	12,989.19	13,248.97	13,513.95	13,784.23	14,059.91	14,341.11	
Fixed staff costs providing reassignment over 5 years		30,000.00	24,000.00	18,000.00	12,000.00	6,000.00	-	-	-	-	-	
Less income from Beer PC contracting back staff		- 30,000.00	- 24,000.00	- 18,000.00	- 12,000.00	- 6,000.00	-	-	-	-	-	
Total costs		57,500.00	51,240.00	44,984.80	38,734.50	32,489.19	26,248.97	20,013.95	13,784.23	14,059.91	14,341.11	
Savings per annum		- 2,500.00	4,860.00	12,237.20	19,631.94	27,044.58	34,475.47	41,924.98	49,393.48	50,381.35	51,388.98	288,838.00
5 and 10 year saving						61,273.73					227,564.28	