

## ACCOMMODATION OPTIONS SUMMARY

		Option 1 £'000	Option 2 £'000	Existing £'000
<b>CAPITAL COSTS</b>				
New accommodation building costs	(note 1)	2,291	6,788	
IT Costs		23	125	0
Other Construction and Delivery Costs	(note 3)	40	40	0
Fees and Expenses		464	1,138	0
Regulatory Costs		7	19	0
Moving Staff and Equipment		22	131	0
Outstanding Capital Repair Costs	(note 4)	1,520	1,019	1,520
Contingencies		229	679	0
<b>Gross Capital Cost of Scheme</b>		<b><u>4,596</u></b>	<b><u>9,989</u></b>	<b><u>1,520</u></b>
<b>Grant Related Capital (Income)</b>	(note 2)	<b><u>0</u></b>	<b><u>(4,599)</u></b>	<b><u>0</u></b>
Lancaster Town Hall		0	0	0
Morecambe Town Hall		0	(1,495)	0
Palatine Hall		0	(1,110)	0
City Museum		0	0	0
St Leonard's House		(1,430)	(1,430)	0
Euston Road		(250)	(250)	0
Castle Hill	(note 13)	0	0	0
Co-op Building		0	0	0
Advertising Costs		15	25	0
<b>Net Disposal Proceeds</b>		<b><u>(1,665)</u></b>	<b><u>(4,260)</u></b>	<b><u>0</u></b>
<b>NET CAPITAL COST OF SCHEME</b>	(note 5)	<b><u>2,931</u></b>	<b><u>1,130</u></b>	<b><u>1,520</u></b>
<b>ONE OFF REVENUE COSTS</b>				
Outstanding Revenue Repair Costs	(note 4)			
Lancaster Town Hall		1,019	1,019	1,019
Palatine Hall		124	0	124
Morecambe Town Hall		377	0	377
Business process re-engineering	(note 6)	0	240	0
Loan Interest	(note 7)	258	99	0
<b>One Off Revenue Costs</b>		<b><u>1,778</u></b>	<b><u>1,358</u></b>	<b><u>1,520</u></b>
<b>ONGOING REVENUE COSTS</b>				
Lancaster Town Hall and OFS		389	389	389
Morecambe Town Hall		126	0	126
Palatine Hall		60	0	60
City Museum	(note 9)	436	436	436
New Morecambe Town Hall		0	880	0
New Build at Salt Ayre		12	12	0
St Leonard's House	(note 10)	0	0	(59)
Euston Road		0	0	14
Castle Hill	(note 10)	0	0	(10)
Co-op Building		0	0	0
Grant Support for National Museum Status	(note 8)	0	(368)	0
Business Process Re-engineering	(note 11)	0	(414)	0
<b>Ongoing Annual Revenue Costs</b>		<b><u>1,023</u></b>	<b><u>934</u></b>	<b><u>956</u></b>
<b>TOTAL REVENUE COSTS</b>		<b><u>2,801</u></b>	<b><u>2,292</u></b>	<b><u>2,476</u></b>
<b>Net Revenue Costs (Savings)</b>		<b><u>325</u></b>	<b><u>(184)</u></b>	<b><u>0</u></b>

## WHOLE LIFE COSTS

(note 12)

### Capital and Revenue Costs By Year

Year 1	5,732	3,742	3,996
Year 2	6,755	4,916	4,952
Year 3	7,778	6,010	5,908
Year 4	8,801	7,024	6,864
Year 5	9,824	7,958	7,820
Year 10	14,939	12,628	12,600
Year 15	20,054	17,298	17,380
Year 20	25,169	21,968	22,160
Year 30	35,399	31,308	31,720
Year 60	66,089	59,328	60,400

## NOTES

- 1 Whilst the overall presumption is that as many Services as possible would be in a single location, in line with the originally approved schemes, it is assumed that all Leisure Services staff would be relocated to Salt Ayre in new accommodation and Council Housing staff would remain in 38 Cable Street. More detailed consideration will need to be given during detailed appraisals regarding the location of Services such as Arts and Events and the TICs in relation to service provision.
- 2 Heritage Lottery Fund grant income relates to the proposed expanded Museum scheme based at Lancaster Town Hall. The grant has been estimated at 50% (the maximum grant for this type of scheme is 75%) of LTH building costs, fees, regulatory costs, repair costs and contingencies
- 3 Consideration in all options will need to be given for costs relating to storage and information management requirements including determining the future location of Information Services.
- 4 It has been estimated that the total outstanding repair costs relating to the effected buildings would be classed as 50% capital repairs and 50% revenue repairs
- 5 To be funded from additional resources from the sale of assets, or from unsupported borrowings over the period of the scheme
- 6 Business Process Re-engineering – revenue costs arising as a result of implementing economies of scale.
- 7 Loan interest has been charged on the net capital costs of the scheme and is calculated at a fixed rate of 4.4% pa over a two year period using a Public Works Loan Board maturity scheme. However, the best value loan scheme will be assessed later in a more detailed appraisal when a preferred option has been chosen.
- 8 In Option 2, it is assumed we may continue to be responsible for the running costs of Lancaster Town Hall and the management fee we pay to County for running the museum. However, it is proposed that there is potential for 50% of these costs (£389,000 and £348,000) to be offset by securing grant support for National Museum Status.
- 9 The Management Fee paid to County for running the City Museum is £436,000, of which £88,000 relates to revenue running costs for the City Museum building and £348,000 relates to staff related costs.
- 10 St Leonard's House and Castle Hill generate a net rental income of £59,000 and £10,000 respectively
- 11 In Option 2, the benefit of the (£414,000) Business Process Re-engineering saving will be phased in from year one to four, and will not take full effect until year five. This has been reflected in the Whole Life Costs.

- 12 Whole Life Costs show the total cost of each option over a period of years. It is calculated by adding together the Net Capital Cost and One Off Revenue Costs, and then adding to this the ongoing annual revenue costs each year of a 60 year period.
- 13 In options 1 and 2, Castle Hill disposal proceeds income (£333,000) is already included as a funding item in the 06/07 Capital Programme, and therefore does not need to be included in these costings.