

Appendix E - DBOM costing and payback

	Payment	Revenue (Interest)	Capital	Profiled Management Fee						Average Management Fee						Financing Element in Fusion's Submission	
				Mgt Fee Submitted	Annual Adjustments	Adjusted Management Fee	Balance after financing	Budget requirement	(Surplus)/ Deficit	Average Mgt Fee Submitted	Annual Adjustments	Adjusted Management Fee	Balance after financing	Budget requirement	(Surplus)/ Deficit		
If the Council were to borrow the funding for the DB : based on a figure of £8.5 million at 1.95%	1.95%	(8,574,000)															
Annual interest and capital repayments would be:																	
Year 1				1	-202,183	12,686	(189,497)	-189,497	-130,000	-59,497	-390,233	12,686	(377,547)	-377,547	-130,000	-247,547	16,531
Year 2	£544,346	£167,193	£377,153	2	-395,411	12,686	(382,725)	161,621	-130,000	291,621	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 3	£544,346	£159,839	£384,508	3	-621,763	12,686	(609,077)	-64,730	-130,000	65,270	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 4	£544,346	£152,341	£392,006	4	-743,549	12,686	(730,863)	-186,517	-130,000	-56,517	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 5	£544,346	£144,696	£399,650	5	-782,349	12,686	(769,663)	-225,316	-130,000	-95,316	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 6	£544,346	£136,903	£407,443	6	-883,533	12,686	(870,847)	-326,501	-130,000	-196,501	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 7	£544,346	£128,958	£415,388	7	-902,752	12,686	(890,066)	-345,719	-130,000	-215,719	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 8	£544,346	£120,858	£423,488	8	-922,162	12,686	(909,476)	-365,130	-130,000	-235,130	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 9	£544,346	£112,600	£431,746	9	-941,767	12,686	(929,081)	-384,735	-130,000	-254,735	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 10	£544,346	£104,181	£440,165	10	-970,781	12,686	(958,095)	-413,749	-130,000	-283,749	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 11	£544,346	£95,598	£448,748	11	-1,071,017	12,686	(1,058,331)	-513,984	-130,000	-383,984	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 12	£544,346	£86,847	£457,499	12	-1,089,204	12,686	(1,076,518)	-532,172	-130,000	-402,172	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 13	£544,346	£77,926	£466,420	13	-1,107,482	12,686	(1,094,796)	-550,450	-130,000	-420,450	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 14	£544,346	£68,831	£475,515	14	-1,125,852	12,686	(1,113,166)	-568,820	-130,000	-438,820	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 15	£544,346	£59,558	£484,788	15	-1,144,314	12,686	(1,131,628)	-587,281	-130,000	-457,281	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 16	£544,346	£50,105	£494,241	16	-1,162,868	12,686	(1,150,182)	-605,835	-130,000	-475,835	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 17	£544,346	£40,467	£503,879	17	-1,181,514	12,686	(1,168,828)	-624,482	-130,000	-494,482	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 18	£544,346	£30,642	£513,705	18	-1,200,254	12,686	(1,187,568)	-643,222	-130,000	-513,222	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 19	£544,346	£20,624	£523,722	19	-1,219,088	12,686	(1,206,402)	-662,056	-130,000	-532,056	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Year 20	£544,346	£10,412	£533,935	20	-1,238,016	12,686	(1,225,330)	-680,983	-130,000	-550,983	-888,154	12,686	(875,468)	-331,122	-130,000	-201,122	514,452
Totals	£10,342,579	£1,768,579	£8,574,000		-18,905,859	253,720	-18,652,139	-8,309,560	-2,600,000	-5,709,560	-17,265,161	253,720	-17,011,441	-6,668,861	-2,600,000	-4,068,861	9,791,121
Average Annual	£517,129	£88,429	£428,700		-945,293	12,686	-932,607	-415,478	-130,000	-285,478	-863,258	12,686	-850,572	-333,443	-130,000	-203,443	489,556

Notes

- The Annual Adjustments are based on the adjustments for the swimming prices (£5,676) and also the programme amendment to commence in January 2018 (£7,010).
- As per Fusion bid submission the capital is not required until Year 2 (2019/20)
- The Management Fee submitted is based on the amount Fusion put within their submission to include both the management fee and the capital financing element
- For the average management fee we have assumed that the financing element of Fusion's submission would not be averaged and hence year 1 would be lower due to the financing element. This is based on Fusion's clarification stating that the average management fee after financing would be £373,702
- The capital required includes all of the capital for the contract (including South Oxhey, William Penn and RGC)

	Payment	Revenue (Interest)	Capital	Profiled Management Fee						Average Management Fee						Financing Element in SLM's Submission		
				Mgt Fee Submitted	Annual Adjustments	Adjusted Management Fee	Balance after financing	Budget requirement	(Surplus)/ Deficit	Average Mgt Fee Submitted	Annual Adjustments	Adjusted Management Fee	Balance after financing	Budget requirement	(Surplus)/ Deficit			
If the Council were to borrow the funding for the DB : based on a figure of £8.5 million at 1.95%	1.95%	(9,337,000)																
Annual interest and capital repayments would be:																		
Year 1				1	125,450		125,450	-130,000	255,450	260	0	260	260	-130,000	130,260	199740		
Year 2	£592,788	£182,072	£410,716	2	(60,149)	(60,149)	532,639	-130,000	662,639	-356,740	0	(356,740)	236,048	-130,000	366,048	556740		
Year 3	£592,788	£174,063	£418,725	3	(334,883)	(334,883)	257,904	-130,000	387,904	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 4	£592,788	£165,897	£426,890	4	(624,680)	(624,680)	-31,893	-130,000	98,107	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 5	£592,788	£157,573	£435,215	5	(756,840)	(756,840)	-164,052	-130,000	-34,052	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 6	£592,788	£149,086	£443,701	6	(739,801)	(739,801)	-147,013	-130,000	-17,013	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 7	£592,788	£140,434	£452,353	7	(644,893)	(644,893)	-52,105	-130,000	77,895	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 8	£592,788	£131,613	£461,174	8	(641,785)	(641,785)	-48,998	-130,000	81,002	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 9	£592,788	£122,620	£470,167	9	(610,285)	(610,285)	-17,498	-130,000	112,502	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 10	£592,788	£113,452	£479,336	10	(691,182)	(691,182)	-98,395	-130,000	31,605	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 11	£592,788	£104,105	£488,683	11	(533,453)	(533,453)	59,335	-130,000	189,335	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 12	£592,788	£94,576	£498,212	12	(531,036)	(531,036)	61,751	-130,000	191,751	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 13	£592,788	£84,861	£507,927	13	(493,536)	(493,536)	99,251	-130,000	229,251	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 14	£592,788	£74,956	£517,832	14	(533,036)	(533,036)	59,751	-130,000	189,751	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 15	£592,788	£64,858	£527,929	15	(628,802)	(628,802)	-36,014	-130,000	93,986	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 16	£592,788	£54,564	£538,224	16	(712,322)	(712,322)	-119,534	-130,000	10,466	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 17	£592,788	£44,068	£548,719	17	(681,785)	(681,785)	-88,998	-130,000	41,002	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 18	£592,788	£33,368	£559,419	18	(710,785)	(710,785)	-117,998	-130,000	12,002	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 19	£592,788	£22,460	£570,328	19	(681,785)	(681,785)	-88,998	-130,000	41,002	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Year 20	£592,788	£11,338	£581,449	20	(746,082)	(746,082)	-153,295	-130,000	-23,295	-375,760	0	(375,760)	217,028	-130,000	347,028	575760		
Totals	£11,262,965	£1,925,965	£9,337,000		-11,231,674	0	-11,231,674	31,291	-2,600,000	2,631,291		-7,120,160	0	-7,120,160	4,142,805	-2,600,000	6,742,805	11,120,160
Average Annual	£563,148	£96,298	£466,850		-561,584	0	-561,584	1,565	-130,000	131,565		-356,008	0	-356,008	207,140	-130,000	337,140	556,008

Notes

- There are no Adjustments for SLM bid
- As per SLM bid submission the capital is not required until Year 2 (2019/20)
- The Management Fee submitted is based on the amount SLM put within their submission to include both the management fee and the capital financing element
- For the average management fee we have assumed that the financing element of SLM's submission would not be averaged and hence year 1 would be lower due to the financing element. This is based on SLM's clarification stating that the average management fee after financing would be £200,000 cost to the Authority
- The capital required includes all of the capital for the contract (including South Oxhey, William Penn and RGC)