

APPENDIX 3: OPTION APPRAISAL

- Option A Muse car park opens with external operator, SBC makes no changes to existing stock or costs
- Option B Muse car park opens with external operator, SBC reduces capacity and costs by closing some existing car parks
- Option C SBC leases Muse car park but makes no change to existing stock or costs
- Option D SBC leases Muse car park and reduces capacity and costs by closing some existing car parks
- Option E SBC purchases for £15.5M and operates Muse car park and reduces capacity and costs by closing some existing car parks
- Option F As Option E, but assumes purchase costs reduce by £4.5m by combination of negotiation with Muse and seeking further HCA / other external contributions

Predicted Financial Impact based on current tariffs

	Net loss Yr 1	Net loss Yr 2	Net loss (income) Yrs 1 - 10
Option A	£1.01m	£0.93m	£5.00m
Option B	£0.67m	£0.39m	(£0.2)m
Option C	£0.86m	£1.17m	£5.95m
Option D	£0.52m	£0.63m	£0.8m
Option E	£1.06m	£0.71m	£1.77m
Option F	£0.77m	£0.41m	(£1.15)m

Key Assumptions

Option C and option D include a 6 month lease grace period which reduces year 1 costs by c£500k.

The proposed new Regent Circus car park will have no impact on current car parking income.

The impact on commercial property income is ignored (c£77k will be lost when the development is complete, mainly around the current bus station).

Use of car parks in the town will increase by 3% pa cumulatively over the 10 year period.

No inflationary increases for income or expenditure are included except a 2.5% leasing cost increase which formed part of the MUSE proposals.

Muse will fund any decommissioning costs which SBC will need to incur to reduce current capacity, estimated at c£250k.

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