

PUBLIC SECTOR COMPARATOR UPDATE

Following financial close, the Public Sector Comparator (“PSC”) has been updated to reflect the final amounts. In summary:

	£m
NPV of PFI	29.515
NPV of PSC	23.613
Adjustment 1 - Specific risk	3.271
Adjustment 2 - Tax adjustment	1.417
Adjustment 3 - Optimism Bias	2.471
Adjusted NPV of PSC	30.772
Difference	1.257

Therefore, the PFI project can be seen to be “value for money” as the net present value of the Unitary Charge is less than the risk adjusted public alternative.

The PSC has not been amended from the Full Business Case version. However, the net present value of the Unitary Charge has decreased, primarily as a result of the actual swap interest rate being lower than assumed for the purposes of the Full Business Case.