

Financial Analysis - sensitivity to workstation reduction

Option	40% reduction in Workstations			30% reduction in Workstations			20% reduction in Workstations		
	Total additional revenue spend before breakeven £m	Breakeven in X years after occupation	Estimated ongoing revenue saving	Total additional revenue spend before breakeven £m	Breakeven in X years after occupation	Estimated ongoing revenue saving	Total additional revenue spend before breakeven £m	Breakeven in X years after occupation	Estimated ongoing revenue saving
KTC development purchase + retain Lewis Hous	3.220	5 (payback in 10)	£218k	7.187*	n/a**	-£465k	11.377*	n/a**	-£1094k
KTC development purchase	4.479*	7 (payback in 20)	-£62k	8.873*	n/a**	-£747k	13.033*	n/a**	-£1376k
Bath development purchase	10.771*	n/a**	-£1107k	16.772*	n/a**	-£2058k	22.347*	n/a**	-£2922k
KTC development lease + retain Lewis House	5.300*	n/a***	-£189k	10.077*	n/a***	-£939k	14.904*	n/a***	-£1677k
KTC development lease	7.735*	n/a***	-£595k	12.456*	n/a***	-£1335k	17.283*	n/a***	-£2074k
Bath development lease	8.400*	n/a***	-£705k	12.777*	n/a***	-£1389k	17.604*	n/a***	-£2127k

* in each of these options the additional revenue costs are estimated for the next 10 years. These are likely to be much higher as revenue costs continue to be higher than the existing position for an extended period.

**scheme will eventually breakeven as financing costs reduce, but the payback period for this scheme makes it completely unviable.

*** scheme will never breakeven as costs will always remain above the existing position.