

## Hampshire Solent Cultural Trust Options Financial Summary

(Appendix 1a & 1b provides further detail on the recommended option C)

**Table 1: Savings Performance**

Financial Model Proposed (Cautious)	Annual % saving in year 5	Annual surplus (-) /deficit (+) in Year 5 *
Option A – including Southampton	18%	-£300k (-£70k)
Option B – including Southampton	18%	-£90k(140k)
Option C – recommended option	18%	-£60k(180k)
Option D – 'Do nothing'	18%	£460k

Baseline year 2013/14

\*If the Trust did nothing to address budget pressure in years 1 - 5

**Table 2: One-off Set Up Costs and Annual Central Support Costs**

	Current Model	Previous Models (including Southampton)
<b>Set Up Costs</b>	£290,000  HCC Contribution: £261,000 WCC Contribution: £29,000	Option A: £685,000 Option B: £350,000
<b>Annual Central Support Cost to HCC</b>	£578,000 (£5K less than current cost of £583k for HCC with potential to reduce further during implementation). May provide extra savings to HCC if it can be realised	Option A: £785,000 Option B: £625,000

**Table 3: NNDR Relief Impact-** (Benefit to the Trust and cost to HCC & WCC)

	Annual NNDR impact
<b>HCC venues</b>	+£36,832
<b>WCC venues</b>	+£26,834

**Table 4: Minimum Trust Reserves after 5 Years**

	Current Model	Previous Models (including Southampton)
<b>Reserves</b>	£400,000	Option A: > £1 million Option B: £600,000

Assuming lower end income targets and excluding external investment opportunities