

Income and Expenditure Projections in support of the proposal

Year ending 31 March					Year 1	Year 2	Year 3
	2013/14	2014/15	2015/16	2016/17 (Estimated)	2017/18	2018/19	2019/20
	Current OCC Model				Proposed Model 2 New Entity		
Income							
1. Current Centre operation income							
Income schools / groups	249,835	221,590	373,183	390,000	412,000	417,000	433,000
2. Income deriving from grants / investments							
Other income (ffennel, DSG, grants, sponsorship, Friends donations)	25,000	50,525	26,000	25,000	75,000	55,000	75,000
Income from higher occupancy from schools / groups					10,000	15,000	20,000
3. New Hill End Entity Income / programmes							
Rental income from staff cottage tenant					7,800	7,800	7,800
Out of school time activities, increased NCS or similar					5,000	8,000	16,000
Total income	274,835	272,115	399,183	415,000	509,800	502,800	551,800
1. Expenditure Centre Operational Costs paid for by current model							
Employees	154,950	165,055	173,844	295,000	300,000	250,000	210,000
Locally Managed Premises & Equipment Costs	26,299	36,267	46,789	6,000	20,000	20,000	20,000
Utilities (water, gas, electricity)	31,439	34,349	36,756	32,000	32,000	32,000	32,000
Supplies and Services	33,980	49,542	69,502	32,231	35,000	45,000	55,000
2. Expenditure OCC Corporately Covered Costs							
OCC Corporately Managed Premises Costs (responsive and planned less tenant rental income)	252	74,107	71,988	70,678			
Refuse collection	-	3,905	4,000	4,000			
Annual Base Rent paid to OU	3,334	3,778	3,778	3,778			
Rates (bungalow and site only - cottage paid by tenant)	2,333	1,746	1,768	1,746			
Corporate Service Overheads (HR/Payroll - notional per employee based on OCC costs - these are paid corporately.	15,597	16,957	17,119	28,000			
3. New Entity Operating Costs (currently part of OCC back office and not charged to Hill End)	21,516	100,493	98,653	108,202			
Rates (80% tax relief)					350	350	350
Annual rent to OU					-		4,000
Planned Site Infrastructure					25,000	25,000	45,000
Repairs and maintenance					28,000	28,000	28,000
Provision for major maintenance / sinking fund (10% of repair budget)					2,500	2,500	2,500
Insurances					400	450	450
Finance system					250	250	250
HR / Payroll system					600	600	600
ICT hardware and software					2,500	3,000	3,000
Accountancy					750	750	750
Contingency					6,000	6,000	6,000
Expenditure on resourcing additional revenue based activity provision					7,000	12,000	22,000
Total Expenditure	289,700	486,199	524,197	581,635	460,350	425,900	429,900
Inclusive of all costs Surplus (+) / Deficit (-)	- 14,865	- 214,084	- 125,014	- 166,635	49,450	76,900	121,900
Surplus (-) / Deficit (+) Excluding OCC Corporate Costs	6,651	- 113,591	- 26,361	- 58,433	N/A	N/A	N/A
					surplus	surplus	surplus

Assumptions / narrative
Assumes realistic growth levels in line with previous and planned performance, and in line with the opportunities available to a new entity and model.
£75 grant to be made by OCC as a start-up grant in support of operational cashflow
Affordability and accessibility for Oxfordshire schools and groups secured through small price increases only, although non-Oxfordshire customers and non-education bookings e.g. weddings will pay higher prices
Rent free period still provided by OU for two year period
£35k from Ffennel Trust year 2 plus £20k grant
£75k grant / sponsorship / donations from systemised fundraising strategy year 3
Negligible inflation, so effect ignored except in employees.
*Assumes New Entity to continue 19% ER pension contribution but no other pension liability - this may have to be reviewed as depends on whether TUPE process or not
Property budget is proportional to site and based on soft market testing undertaken on other procurement projects and for more expensive listed property
Staffing costs decrease in year 2 and three as some core staffing provision is replaced with a leaner associate model. No redundancy costs are included at this stage. Additional resourcing costs are shown in line 39.
Assumes as a base line that the New Entity would continue to cover current employee costs - to continue 19% ER pension contribution but no other pension liability (there are alternative options and dependent on affordability and risk view of new trustees) i.e. TUPE or not to TUPE
Expenditure in OCC Model where notably high has been related to one off investments or renewal
Employee costs have increased from OCC model 15/17-16/17 due to restructure and merger of Hill End with Forest School provision - narrative is in the Business Case. Some risk transferred but mitigated with income.