

Appendix 1a

Trust Income and Expenditure - Fully Integrated Merger of HCC and WCC Proposed Financial Model

Version 29/08/13

	Baseline - 13/14	Year 1 - 14/15	Year 2 - 15/16	Year 3 - 16/17	Year 4 - 17/18	Year 5 - 18/19	Notes
Income		2%	2%	2%	10%	2%	
Local Authority Funding Core Contributions excluding grants							
Hampshire County Council	-2,725,200	-2,670,696	-2,617,282	-2,564,936	-2,308,443	-2,262,274	
Winchester City Council	-397,953	-389,994	-382,194	-374,550	-337,095	-330,353	
Total grant contributions	-3,123,153	-3,060,690	-2,999,476	-2,939,487	-2,645,538	-2,592,627	
Earned income / other funding (HCC and WCC)							
Venue Management	-2,441,240	-2,476,240	-2,511,240	-2,546,240	-2,581,240	-2,616,240	Assumes £35kpa increase from HCC+WCC from year 1 (Focus)
Exhibitions	-2,000	-2,060	-2,122	-2,185	-2,251	-2,319	Assumes 3% income year on year from year 1
Collections	-17,400	-17,922	-18,460	-19,013	-19,584	-20,171	Assumes 3% income year on year from year 1
Engagement and Learning	-24,300	-25,029	-25,780	-26,553	-27,350	-28,170	Assumes 3% income year on year from year 1
Arts and Heritage Management	-70,500	-72,615	-74,793	-77,037	-79,348	-81,729	Assumes 3% income year on year from year 1
HCC Marketing Budget	-88,700	-88,700	-88,700	-88,700	-88,700	-88,700	
HCC Marketing Post		-39,500	-39,500	-39,500	-39,500	-39,500	Funding being transferred from HCC CCBS Budget
HCC Admin Budget	0	-83,000	-83,000	-83,000	-83,000	-83,000	
Trust Specific Reinvestment of Savings / New Revenue Income (HCC and WCC)							
NNDR Savings (80%)	0	-421,530	-421,530	-421,530	-421,530	-421,530	
Gift Aid for Milestones	0	-33,000	-42,900	-64,350	-88,500	-91,155	
Gift aid for HCC Venues (Basing House, Aldershot Military entrance fee)		-4,500	-6,300	-9,450	-13,000	-13,390	
Trusts and foundations / other grants			-15,000	-20,000	-25,000	-25,750	
Corporate sponsors			-15,000	-20,000	-25,000	-25,750	
Sold Services			-10,000	-10,000	-10,000	-10,000	
Creative Industries				-10,000	-10,000	-10,000	
Sub Total Earned Income	-2,644,140	-3,264,096	-3,354,325	-3,437,560	-3,514,004	-3,557,404	
Total income	-£5,767,293	-£6,324,786	-£6,353,801	-£6,377,046	-£6,159,541	-£6,150,032	
Expenditure							
Core Services (HCC and WCC)							
Venue Management	2,657,421	2,657,421	2,657,421	2,657,421	2,657,421	2,657,421	
Exhibitions	280,200	280,200	280,200	280,200	280,200	280,200	
Collections	750,325	750,325	750,325	750,325	750,325	750,325	
Engagement and Learning	863,100	863,100	863,100	863,100	863,100	863,100	
Arts and Heritage Management	600,634	600,634	600,634	600,634	600,634	600,634	
Marketing - increase expenditure	88,700	88,700	88,700	88,700	88,700	88,700	
Marketing Post		39,500	39,500	39,500	39,500	39,500	
Administration	0	83,000	83,000	83,000	83,000	83,000	
External Audit	0	20,000	20,000	20,000	20,000	20,000	
Learning and Development	0	10,000	10,000	10,000	10,000	10,000	
Professional Indemnity	0	500	500	500	500	500	
NNDR	526,913	526,913	526,913	526,913	526,913	526,913	
Revenue budget efficiencies (bringing 2 organisations together)		0	0	0	0	0	
Staff savings across HCC and WCC during first four years		-40,000	-40,000	-40,000	-75,000	-110,000	
Insurance (estimated and assuming HCC/SCC/ WCC insure collections/ buildings as appropriate)		30,000	30,000	30,000	30,000	30,000	
VAT on Arts and Museum Services (estimated)		210,000	210,000	210,000	210,000	210,000	
Sub total core expenditure HCC & WCC	£5,767,293	£6,120,293	£6,120,293	£6,120,293	£6,085,293	£6,050,293	
Potential new Trust activity and expenditure delivering 3% increase in venue commercial income included above							
Additional Big Theme Public programme and marketing budget		80,000	80,000	80,000	40,000	40,000	
Digital development post		25,000	25,000	25,000	0	0	
Fundraising budget		20,000	20,000	20,000	0	0	
Sub Total Expenditure Hampshire Solent Cultural Trust - proposed model only		125,000	125,000	125,000	40,000	40,000	
Grand total core expenditure	£5,767,293	£6,245,293	£6,245,293	£6,245,293	£6,125,293	£6,090,293	
Annual surplus (-ve)/deficit (+ve)	£0	-£79,493	-£108,508	-£131,753	-£34,248	-£59,739	£414,000 contribution to Trust reserves in 5 Years