

Future Parks

Newcastle story

www.futureparks.org


LOTTERY FUNDED

NCC Park Trust Model guide

updated as of 23rd June 2017

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1 Introduction

Social Finance have been working with Newcastle City Council for the past 9 months to investigate whether passing management of Newcastle's parks to a charity can help preserve,



protect and improve them in light of pressing budget cuts. We have worked closely with the National Trust (including their North East team) and drawn on the expertise of the Newcastle Park Management team, Royal Parks, Milton Keynes Park Trust, Olympic Park Trust and others to understand what could be achieved.

We know that the current budget requirement/“gap” that would enable Newcastle Parks to breakeven is £2.1m p.a. See **Appendix A** for a breakdown of all the current “Business as Usual” park financial information. This is partly covered by £1m from Public Health, which is subject to change from April 2020, a centralised base budget for Grounds Maintenance and a small base budget provision for Parks specifically. As the revenue budget for parks has been cut by over 90% in recent years, this means that without change, the parks risk sliding into disrepair or being closed to the public.

Passing management to a charity dedicated to raising funds to improve and protect the parks offers a viable solution. It provides a new structure that encourages and enables innovative management and funding, so that those who benefit from the parks can contribute to their upkeep, that communities have greater sense of ownership of their spaces and that parks can benefit from social investment and other sustainable funding sources. Our research has shown that it will take a decade to transition the new parks model to be self-funding but the new model offers the potential for a reducing need for support from the council over this period.

Newcastle Council are leading the way in thinking through how to sustainably manage their parks for future generations and we are excited to be helping Newcastle with this project. It is our hope that the Park Trust will improve the quality and usage of the city’s greenspaces, and put the city on the map as a pioneer in community greenspace management.

2 Summary of findings

To reach breakeven, the Trust would need revenue support of £7-11m (to cover the cash needs of maintaining the parks until they generate positive cash) and capital investment of ~£1m (for improvements in the parks which will generate future revenue). The revenue includes funding to complete a backlog of maintenance work valued at ~£3m. If Newcastle Parks are maintained at current levels, the funding requirement/“gap” for the next 10 years is ~£21m. Even if the council provided the full revenue support, this suggests a potential saving to the council of ~£10-14m in the first 10 years, though not fully cashable. This is without including the value of hugely important public health and environmental benefits.

We also strongly recommend that the Park Trust is backed by an endowment, formed of assets that are bestowed to the Park Trust. The endowment would ordinarily be capital protected so only the ‘income’ can be spent. Income from these assets would be used for annual funding to maintain or improve the parks. Further, raising an endowment signals that there is a long-term vision for and commitment to the future of Newcastle’s greenspaces, provides flexibility for Trust management to innovate and experiment and embed the Park Trust into the civic fabric of Newcastle.

Our research suggests that an endowment between £15-20m in size should be targeted. Sources for the endowment are beyond the scope of this document. However, to put the size in context, this is 5-7% of the total Newcastle City Council reserves¹. An endowment of this size would provide ~£375k - £500k income p.a. assuming a conservative 2.5% nominal return. This de-risks the new charity and provides lasting income.

¹ https://www.newcastle.gov.uk/sites/default/files/wwwfileroot/your-council-and-democracy/open-data-and-access-information/narrative_report_201516_final.pdf p2



The table below shows sensitivities based upon the current model assumptions:

	<i>Without Endowment</i>	<i>With £15m endowment</i>	<i>Revenues 10% less than forecast without endowment</i>	<i>Revenues 10% less than forecast with £15m endowment</i>
<i>Revenue Support (£m)</i>	9.7	7.0	11.7	8.1
<i>Cash flow in year 10 (£m)</i>	-0.16	0.40	-0.40	0.1
<i>EBITDA breakeven year</i>	7	5	n/a	5

Although the model does include a £125k annual cost contingency, the revenue requirement above does not include a detailed analysis of working capital timing differences, nor any additional cash “buffer” that the park trust might require.

3 Scope

Newcastle Parks and Countryside Service manage several different types of greenspace. The park categories that are currently “in scope” for the Park Trust are:

- Principal Parks
- Neighbourhood Parks
- Countryside Parks
- Recreation Grounds
- Allotments (51 hectares)

A list of all the sites in scope and their size is shown in **Appendix B**.

We strongly suggest that all of the above park categories are included within the new management. This signals that the council have confidence in their solution and promotes fair and equitable treatment across the city’s greenspaces, which should help to secure support and funding for the Trust. In addition, the Council will need to find resources to upkeep any sites left within its management. We are aware that the following sites are not in scope for the Park Trust:

- Closed graveyards
- Playgrounds outside parks
- Town Moor
- Westerhope Golf Club
- Newcastle United GC
- Other small open spaces (e.g. verges)

The costs and income of the sites to be left with the council, and financial information for the Allotments and Recreation Grounds for reference, is shown in **Appendix C**.

4 Income

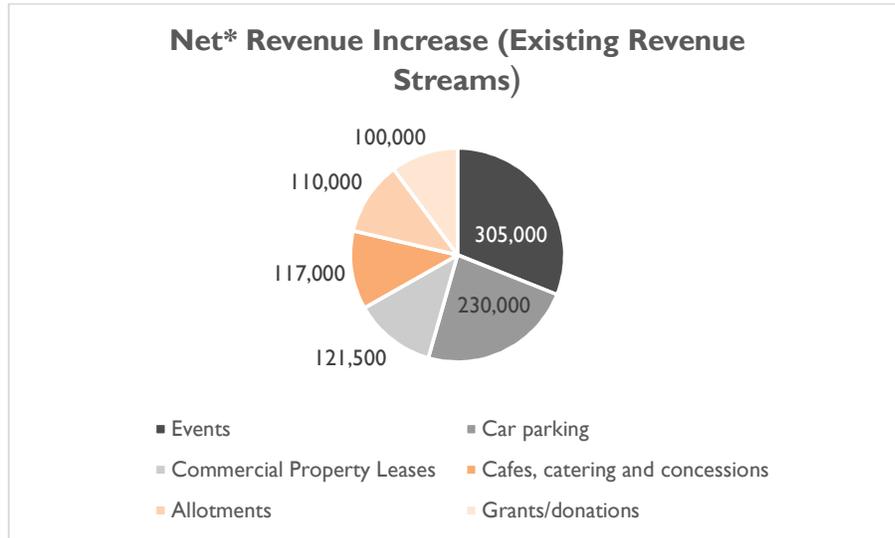
The Park Trust provides a structure for exciting innovations in how greenspaces are funded. The parks currently generate £400k in income each year and our research suggests that this could be **increased by £1.6m gross** (£1.3m net of specific costs associated with this revenue) through more entrepreneurial management. This revenue is split into additional revenue from existing streams e.g. allotments, commercial leases, cafes (**£1.2m gross; £1m net**) and new



streams not currently operating within the parks e.g. renewable energy, “pay to play” (£0.4m gross; £0.3m net).

Breakdown of revenue increases

1. New revenue potential from existing streams of activity:



**Additional revenue is shown net of specific costs incurred to generate that revenue stream (e.g. staff costs)*

Significant amounts of research with the Newcastle park management teams and other industry experts underpin these assumptions. A breakdown of all the assumptions, evidence and research behind these figures is shown in **Appendix D**. For a verbal description of the increase in each case please see below. In each case, we assume that revenue increases are phased in over 5 years, except for commercial leases, which are phased in over 10 years.

a) Events

Current Revenue: £17,000
Net Revenue Increase: £305,000

Newcastle has an outstanding portfolio of parks which attract visitors from within and outside the area. Around the country, cities are increasingly using parks as venues for events: Manchester hosts the annual Park Life music festival attracting 70,000 daily visitors and the Chase Park festival in Gateshead becomes more popular each year. However, the number and scale of events run within Newcastle parks is very limited. Newcastle has a long-standing tradition of hosting nationally recognised events: Exhibition Park held the Royal Jubilee Exhibition in 1887 attracting around 2m visitors, and the North-East Coast exhibition in 1929, which had over 4m visitors in just six months. The spotlight will be on Newcastle again as it hosts the £5m Great Exhibition of the North in 2018. We also know that councillors have approved plans to ring fence £900k of funding to help boost Newcastle’s international profile with high profile events². This is therefore a strong opportunity to launch a park events strategy that allows small scale community events to thrive alongside ambitious larger events that showcase the city’s ambition and vibrancy.

The revenue increase in events will come from small scale events such as weddings, corporate away days, community events, small music performances. These events are about encouraging community cohesion and ownership of greenspaces. We also assume that there will also be a

² <http://www.chroniclive.co.uk/news/north-east-news/2014/newcastle-host-commonwealth-games-12965888>



programme of larger events, including music festivals, bonfire displays, “Winter Wonderland”, food festivals and sports events. We assume the Trust will employ two full time events / marketing managers and will be able to build up an exciting portfolio of events that gain national recognition. Benchmarks who reviewed the sites in Newcastle said that these revenue targets were achievable over the 5 year time horizon.

b) Car Parking

Current Revenue: £25,000
Net Revenue Increase: £230,000

Our assumptions are based on charging £1.20 per hour for the new spaces in Leazes Park (which are already committed to be built), charging £0.50 per hour for the unused spaces throughout the portfolio, and building a small number of additional spaces (approximately 100). We appreciate that there may be concerns from a public health perspective around car usage in green spaces: the charges should incentivise users to use alternate means of transport where possible.

c) Commercial Property Leases

Current Revenue: £203,000
Net Revenue Increase: £121,500

We assume that lease rental values could be increased based on conversations with NCC and National Trust, noting that many of the leases are at peppercorn rental levels. Also noted that further revenue increases were possible beyond the assumed levels through including profit shares in renegotiations. Our assumptions do not factor in renovating the Fisherman’s Lodge in Jesmond Dene; there is another opportunity here for additional income. We assume that the increase takes place over 10 years to factor in time for leases to expire or be renegotiated.

d) Cafes, retail and concessions

Current Revenue: £26,000
Net Revenue Increase: £117,000

This revenue line currently includes only one retail outlet in one park. The commercial property lease line above includes property that is rented out to café providers, such as Heaton Pavilion (Sambucas), Exhibition Café (Café in the Park) and Jesmond Dene (Millfield House Café). For clarity, we have split out additional café specific opportunities into a separate revenue line.

Our assumptions are based on adding 8 concessions to the portfolio which are rented out. We have also assumed two new café sites are added, and NCC have already identified potential sites that could also be rented out.

e) Allotments

Current Revenue: £91,000
Net Revenue Increase: £110,000

Based on our conversations with the allotment manager, the high waiting lists in the city and the increasing trend in home grown produce, we assume around 100 more plots are built, there is a 10% increase in allotment rates (based on the high demand for sites and up to 20 year waiting lists in parts of the city) and an additional 25% of all sites start advertising at £6,000 per year (there is currently advertising in ~10% of the sites).

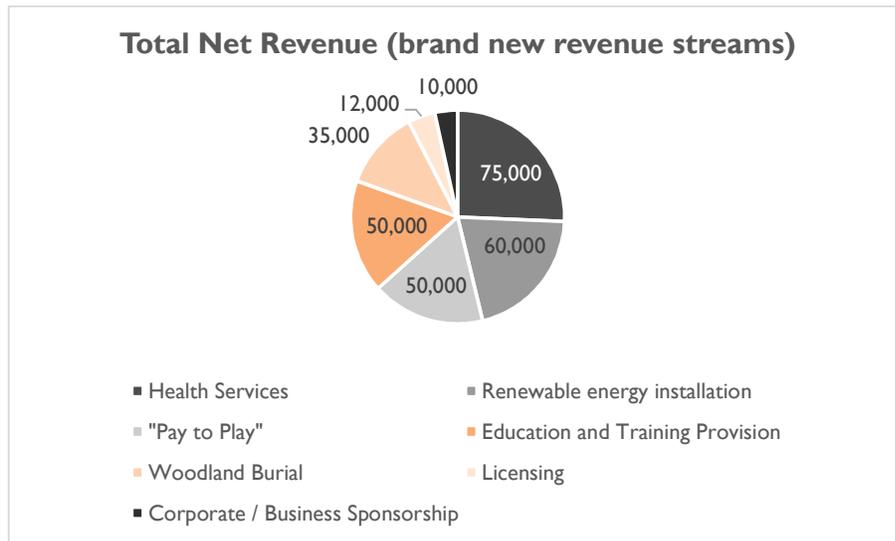


f) Grants / donations

Current Revenue: £21,000
Net Revenue Increase: £100,000

This assumes one employee with a gross salary of £50k, generating £150k in grants / donations.

2. Brand new revenue streams



**Additional revenue is shown net of specific costs incurred to generate that revenue stream (e.g. staff costs)*

a) Health Services

Net Revenue Increase: £75,000

This assumption is based on conversations with Newcastle experts in public health which suggested that there was appetite for providers to open park based health hubs and pay site rental whilst contributing the upfront capital to build the hub and pay for running costs.

b) Renewable energy

Net Revenue Increase: £60,000

This is based on benchmarks which receive rental income from a renewable energy company who have installed a generator in their parkland.

c) "Pay to Play"

Net Revenue Increase: £50,000

This is based on benchmarked knowledge of Pay to Play installations such as mini golf courses or high ropes courses. A conservative estimate is used – the revenue could be up to £100k p.a.

d) Education and training provision

Net Revenue Increase: £50,000



This is based on a benchmarked property which generates additional revenue from educational activities such as green academies, University Partnerships and National Citizen Service fees.

e) Woodland burial

Net Revenue Increase: £35,000

The demand for eco-burials is growing and plots can be sold for around £700 each. This is based on one burial per week; approximately 2% of the total number of deaths in Newcastle upon Tyne each year³.

f) Licensing

Net Revenue Increase: £12,000

This assumes that 15 fitness licenses are sold each year for £500 each, and 25 dog walking licenses for £200 each.

g) Corporate sponsorship

Net Revenue Increase: £10,000

5 Costs

a) Maintenance Costs

Highways and Localised Services (HLS, another council department) currently provide maintenance to the parks (e.g. grass cutting, bed maintenance). Benchmarking against NCC grounds costs, at an overhead rate suggests that greater value for money would be achieved by the Park Trust employing its own gardening / maintenance team consisting of 7 general maintenance staff, 4 grass maintenance, 2 bed maintenance, 2 pitch maintenance staff. The calculations behind the staff numbers required are shown in **Appendix D**.

b) Staff-Costs

We assume that all existing staff are maintained and the maintenance staff team mentioned above are added. We also assume that any existing pension deficit is not transferred to the new Trust, and that new staff are hired on a pension of 5%. The Trust will consist of the following staff, which are based on benchmarks, especially around the number of marketing and commercial staff required:

- Finance / Admin: 1.5
- Marketing / Commercial: 3.5
- HR: 0.5
- Governance: 0.5
- Chief Exec: 1.0

We also assume that training will need to be purchased and delivered during the transition to a Trust to assist with culture transformation.

³ According to Office of National Statistics for 2015:
<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/datasets/deathsregisteredbyareaofusualresidenceenglandandwales>



c) Premises costs

We assume that the premises costs can be reduced by 30% based on conversations with NCC rangers and park managers, who highlighted examples of maintenance and repair jobs which could have been reduced by 50% in cost through external procurement or additional use of volunteers. 65% of premises costs are from maintenance and reactive repairs, reducing these by 50% will reduce the overall premises cost bill by 30%.

We also presume that transport, supplies and services costs of £145k can be reduced by 15% based on the charity being able to secure more favourable service rates or receive pro bono support.

d) Transition costs

We assume that £170k is needed for transitioning existing staff and services to the new charity. The assumptions are based on estimates from similar work conducted by Social Finance. They allow for approximately 60 days of legal advice, 25 days of change management consultancy, 30 days of HR consultancy, and 100 days of other advice including IT and estates consultancy (all based on £750 per day). We also factor in an additional £20k p.a. for the first two years for training staff, and an annual cost of £30k per year for purchasing specialist consulting services on legal and estates matters.

e) Volunteering

We know that NCC receive around 45k hours of volunteer time each year within their parks, and we believe that there will be scope to grow this when management is passed to a charity. We assume that the number of hours can grow by 3% p.a. (a conservative estimate according to the National Trust) and that a specific volunteer manager will be hired to drive the volunteering strategy and manage the growth in volunteer numbers.

f) Taxation

Tax advice from E&Y highlights potential tax risks resulting from the new structure and there is an ongoing need for tax advice prior to establishing the new Trust. At present, the model includes a VAT provision of £270,000 p.a. for irrecoverable VAT based on advice provided by E&Y as of June 2017. E&Y and NCC are currently investigating whether there are any options around mitigating this sum. As the VAT advice is refined as these conversations progress, the VAT assumptions in the model will need to be updated by NCC.

6 Capex and Investment

a) Backlog

Based on condition surveys and NCC quantity surveyors, there is a backlog in building and grounds maintenance work throughout the portfolio totalling approximately £2.8m. However the current premises budget includes an annual charge of £220k for dealing with reactive repairs and maintenance work, which would no longer be required when the property is restored to a good condition. The premises charge includes a separate ~£100k p.a. for ongoing maintenance, and £300k within the HLS contract, which would be expected to recur even when the maintenance backlog is completed. We have therefore removed the £220k that specifically



relates to reactive repairs from the premises costs and assumed that the backlog of £2.8m would be completed during the first five years of the trust. This would be financed through the revenue support.

b) **New investment**

We believe that approximately £1m is required for investments in the parks that will generate additional revenue streams. This is split out as below:

Commercial property leases: to renovate buildings such as Busy Cottages in Jesmond Dene and bring them up to standard

Car Parking: to build additional spaces and install parking meters in areas which are currently uncharged

Events: for installing marquees and other temporary structures that can be rented out and for any site specific work in order to support large scale events

Pay to play: assumed necessary to install a pay to play service, based on knowledge of Go Ape installations.

We presume that this investment will be funded by a loan to the Trust, with Newcastle City Council acting as lender. The council would need to determine the required interest rate taking account of the risk and any applicable regulatory requirements (e.g. State Aid). The model currently assumes an interest rate of 5%, although we are aware of precedents for a council charging a lower rate. EY's tax advice has also suggested that if appropriate, the Council incurring the capital expenditure rather than that Trust could be more tax efficient. The exact mechanism is therefore to be determined.

7 **Benchmarking and Check and Challenge**

The model assumptions are based on research with NCC and have been checked by entities running similar models at scale, with consideration given to the specific circumstances of the NE location.

The overall feedback was that the model estimates seemed achievable. The assumptions above have taken the below feedback into account:

- **Revenue:** there were opportunities to generate more revenue from the portfolio. In particular, there was more opportunity in terms of **events, property income and investing in a "hub" park** **Costs:** The Trust will **need excellent commercial staff** to make the most of all of its. **Staff training and culture change exercise** will be key to making this a. An **events manager** will be needed
- **Timings:** It will take **between 5-10 years** to get all the revenue streams and infrastructure in place, **with some streams ramping up more quickly than others**

The following risks were identified and resulted in adjustments to the model which has informed this document:

- The Park Trust may not have the expertise to run cafes in house. Our original model assumed an additional £420k gross revenue from cafes, assuming that one or more of these could be run in house. Our present assumptions are instead for £130k gross revenue from cafes, based on adding more concessions and renting out two additional sites.



- More research required on the local context to assess the opportunities for making a “destination park”. Our original proposal included a “destination park” which would contain a range of activities, cafes and infrastructure to become a hub destination that generated £200k net revenue each year. Check and challenge feedback suggested we should remove this and focus instead on generating revenue from events.
- More research is required on the cost of renovating Fisherman’s Lodge and potential revenue to be earned. Check and challenge feedback suggested more work was needed to assess the cost and opportunities here and therefore we have removed this from our current model.

8 Key risks and mitigation

Please note that our model includes a VAT provision of £270,000, which is based on advice provided by E&Y as of June 2017. Discussions to refine and provide assurances on this number are ongoing, and NCC will need to update the Target Operating Model to incorporate any updated advice received.

Key Risk	Mitigation Approach
Endowment not able to be raised	<ul style="list-style-type: none"> • National Trust providing input and sharing their experience on raising an endowment • Roundtable meetings with bodies such as HLF, Sport England and Power to Change are advocating for the Park Trust and need for an endowment
New revenue streams receive push back from the public (e.g. “Pay to Play” and Renewable Energy Installations)	<ul style="list-style-type: none"> • We are developing governance structures with bodies including Sports England and HLF to ensure that the Trust is accountable to the public and can earn their support and trust • The National Trust is developing a community engagement plan to share the benefits of the model and win public support
Additional revenue is not implemented at the levels assumed	<ul style="list-style-type: none"> • National Trust park managers are completing week long site visits to verify inputs • Inputs have been checked and challenged with internal NCC staff and benchmarked against other bodies running Trusts (e.g. National Trust, Royal Parks, Milton Keynes Park Trust)
Target Operating Model (TOM) year is too ambitious and it takes longer than 5 years to meet targets	<ul style="list-style-type: none"> • The endowment would de-risk the revenue streams ramping up • The TOM year has been increased from Year 3 to Year 5 based on feedback from National Trust, Royal Parks and others • We assume that commercial property lease income scales up over 10 years to factor in specific risks associated with this income line



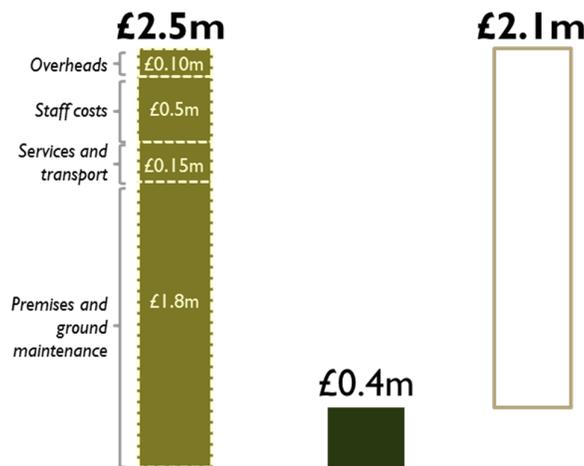
The cost of maintaining the parks is more expensive than forecast

- The endowment would de-risk the cost savings being implemented
- The model includes a £125k p.a. cost contingency

Appendix A

Business as Usual

The current budget requirement/ “gap” that would enable Newcastle Parks to breakeven is £2.1m p.a. This is partly covered by a £1m Public Health subsidy which is subject to change from April 2020, a centralised base budget provision for Grounds Maintenance and a small base budget provision for Parks.



Newcastle Parks Service manage several different types of greenspace. The park categories that are currently “in scope” for the Park Trust are:

- Principal Parks
- Neighbourhood Parks
- Countryside Parks
- Recreation Grounds
- Allotments (51 hectares)

A list of all the sites in scope and their size is shown in Appendix B.

NCC would like flexibility to assess the impact of taking recreation grounds and allotments out of scope of the model. The model enables toggling in and out of recreation grounds and allotments, but for the purposes of this document all assumptions, inputs and outputs are inclusive of allotments and recreation grounds.

The current financial position of the parks in scope is shown below. The existing revenue has been taken from the financial ledger (15/16) which shows the revenue for each park type (e.g. Neighbourhood, Countryside). Non-staff costs and overheads are also taken from this ledger. Staff costs are taken from the current staffing document provided by NCC HR in October 2016. HLS costs refer to the separate maintenance contract provided by Highways and Localised Services for grass cutting, bed maintenance, pitch marking, and health and safety inspections. These costs have been provided separately by the HLS department.



All figures £k	All Parks in Scope
Income	
Commercial Property Leases	203
Cafes, catering and retail	26
Car parking	25
Events	17
Allotments	91
Grants/donations	21
Agriculture/forestry	7
Other streams	9
Total Income	400
Expenses	
Employees	(471)
Services, supplies and transport	(146)
Premises and ground maintenance**	(1,792)
Total Expenses	(2,409)
Overhead*	(100)
EBITDA	(2,109)

*8.6% of expenses

The premises costs above are taken from the parks financial ledger but exclude £300k of costs which are separately accounted for in the HLS Maintenance row to avoid double counting.

**In addition, the following adjustments have been made to the premises costs above:

- 1) Additional premises costs of £44k added based on year on year comparisons completed by NCC Finance.
- 2) Premises costs of £220k each year related to maintenance backlog removed as the maintenance backlog will be completed separately.



Appendix B

Current List of Parks in Scope (to be finalised)

Park Name	Hectares	Category
Armstrong Park	7.9	Principal
Elswick Park	5.7	Principal
Exhibition and Brandling Parks	13.3	Principal
Heaton Park	10.5	Principal
Hodgkin Park	7.4	Principal
Gosforth Central Park	3.26	Principal
Jesmond Dene including Jesmond Vale	31.2	Principal
Leazes Park (including Hoyles Intake)	12	Principal
Nuns Moor Park and recreation areas.	3.5	Principal
Paddy Freemans and Castle Farm	5.36	Principal
Walker Park	10.2	Principal
3 Hills Havanna Nature Reserve	41.5	Countryside
Big Waters Nature Reserve	42	Countryside
Denton Dene South	8.8	Countryside
Percy Pit	39.95	Countryside
Sugley Dene	7.2	Countryside
Tyne Riverside Country Park	60	Countryside
Walbottle/Throckley Dene (including Walbottle Brickworks)	20.8	Countryside
Walker Riverside	12.4	Countryside
Ouseburn Park	2.6	Countryside
Allotments	51	Allotments
Benwell Nature Park	1.3	Neighbourhood
Christon Road	0.7	Neighbourhood
City Stadium	5.4	Neighbourhood
Fawdon Park	0.7	Neighbourhood
Gala Field	4.5	Neighbourhood
Harbottle Park	4.2	Neighbourhood
Iris Brickfield	6.4	Neighbourhood
Kingston Park West	5.4	Neighbourhood
North Kenton Park	3.2	Neighbourhood
St. Lawrence Park	2.1	Neighbourhood
Summerhill Square	0.7	Neighbourhood



The Quarry South Gosforth	0.89	Neighbourhood
The Spinney	1.7	Neighbourhood
Waverley Park	1.1	Neighbourhood
Westerhope Park	1.1	Neighbourhood
Allendale Road	3.3	Recreation
Blakelaw Recreation Ground	11.3	Recreation
Broadway West & Redhouse Farm	15.1	Recreation
Brunswick Recreation	2.9	Recreation
Coxlodge Recreation Ground	3.1	Recreation
Denton Dene North	14.9	Recreation
Denton Dene South (Scotswood Sports Centre)	10.3	Recreation
Dinnington Recreation Ground	3.4	Recreation
Fossway Recreation Ground	2.4	Recreation
Hazlerigg Recreation Ground	1.5	Recreation
King George V	4.7	Recreation
Kingston Park East	5.4	Recreation
Manor Park	4.1	Recreation
Mckendrick Villas	1.3	Recreation
Millers Dene Recreation Ground	3.5	Recreation
Norwich Place	1.3	Recreation
Swan Hunters Recreation Ground	6.4	Recreation
Throckley Recreation Ground	2.2	Recreation
Valley View	2.6	Recreation

Current List of Allotments in Scope (to be finalised)

id	SiteType	Association	Association Title	Location
1	Associations	Armstrong	Armstrong Allotment Association	Crompton Road, Heaton
1	Associations	Beaumont Terrace	Beaumont Terrace Allotment Association	Christon Road, Gosforth
1	Associations	Benwell	Benwell Allotment Association	Benwell Lane, Benwell
1	Associations	Benwell Homing Pigeons	Benwell Homing Pigeons	Conhope Lane, Benwell
1	Associations	Blayney Row	Blayney Row Allotment Association	Blayney Road, Newburn
1	Associations	Blucher	Blucher Allotment Association	Blucher Terrace, Blucher
1	Associations	Branxton Crescent "A"	Branxton Crescent "A" Allotment Association	Branxton Crescent "A", Walker
1	Associations	Branxton Crescent "B"	Branxton Crescent "B" Allotment Association	Branxton Crescent "B", Walker
1	Associations	Brunswick	Brunswick & Hazlerigg Allotment Association	Walter Street
1	Associations	Burnopfield, Castleside &	B C T Allotment Association	Burnopfield Gardens
1	Associations	Chelmsford Grove	Chelmsford Grove Allotment Association	Chelmsford Grove, Sandyford
1	Associations	City Stadium	City Stadium Allotments Association	Benton
1	Associations	Cowgate	Greenhill View Allotment Association	Cowgate
1	Associations	Coxlodge	Coxlodge Allotment Association	Kenton Road, Fawdon
1	Associations	Craster Terrace	Craster Terrace Allotment Association	Craster Terrace, North Heaton
1	Associations	Dene Terrace	Dene Terrace Allotment Association	Dene Terrace, Walbottle
1	Associations	Denton Bank	Denton Bank Allotment Association	Ancroft Place, Fenham
1	Associations	Denton Dene	Denton Dene Allotment Association	Off Denton Road
1	Associations	Duxfield East	Duxfield East Allotment Association	Duxfield, North Heaton
1	Associations	Duxfield West	Duxfield West Allotment Association	Duxfield, North Heaton
1	Associations	Fairways	Fairways Allotment Association	Manor Park, Newcastle upon Tyne
1	Associations	Fenham Model	Fenham Model Allotment Association	Fenham Hall Drive, Fenham
1	Associations	Gloucester Road	Gloucester Road Allotment Association	Normanton Terrace, Elswick



1	Associations	Greenwater Pool	Greenwater Pool Allotment Association	Ouseburn Road, Sandyford NE7
1	Associations	Hazlerigg	Brunswick and Hazlerigg Allotment Association	Strawberry Terrace
1	Associations	Hexham Avenue	Hexham Avenue Allotment Association	Hexham Avenue, Walker
1	Associations	High West Jesmond	High West Jesmond Allotment Association	Woodthorne Road, Gosforth
1	Associations	Highbury South	Highbury South Allotment Association	Highbury, Jesmond
1	Associations	Iris Brickfield	Iris Brickfield Allotment Association	Rothbury Terrace, Heaton
1	Associations	Keebledale	Keebledale Pigeons	Keebledale Avenue, Walkergate
1	Associations	Leighton Street Pigeons	Leighton Street Pigeons	Leighton Street, Byker
1	Associations	Lemington	Lemington Allotment Association	Union Hall Road, Lemington
1	Associations	Little Moor	Little Moor Allotment Association	Moorfield/Ilford Road/Jesmond
1	Associations	Moorside	Moorside Allotment Association	Fenham Hall Drive, Wingrove
1	Associations	New Heaton Inv. Flying Club	New Heaton Invitation Flying Club	Jesmond Vale, Sandyford
1	Associations	Newbiggin Hall	Newbiggin Hall Allotment Association	Etal Lane, Newbiggin Hall
1	Associations	Norham Road	Norham Road Allotment Association	Norham Road, Grange
1	Associations	Premier	Premier Allotment Association	Jesmond Vale, Sandyford
1	Associations	Rectory Road	Rectory Road Allotment Association	Rectory Road, Gosforth
1	Associations	Richmond Terrace	Richmond Terrace Allotment Association	Grove Road, Walbottle
1	Associations	Ridgewood Crescent	Ridgewood Crescent Allotment Association	Ridgewood Crescent, Gosforth
1	Associations	Salters Lane	Salters Lane Allotment Association	Salters Lane, Gosforth
1	Associations	School House	School House Allotment Association	Jesmond Vale, Sandyford
1	Associations	Sheringham Avenue	Sheringham Avenue Allotments Association	Sheringham Avenue, North Kenton
1	Associations	Skinnerburn Road Pigeons	Skinnerburn Road Pigeons	Skinnerburn Road, West City
1	Associations	St Anthonys	St Anthony's Allotment Association	St Anthony's, Walker
1	Associations	St Gabriels	St Gabriel's Allotment Association	Ivymount Road, Heaton
1	Associations	St Michaels	St Michael's Allotment Association	St Michael's Road, Byker
1	Associations	Stephen Street	Stephen Street Allotment Association	Stephen Street, Byker
1	Associations	Stotes Hall	Stotes Hall Allotment Association	Jesmond Dene Road, Jesmond
1	Associations	Three Mile	Three Mile Allotment Association	Three Mile, Great North Road
1	Associations	Thropton Terrace	Thropton Terrace	Thropton Terrace, High Heaton
1	Associations	Triangle	Triangle Allotment Association	Ilford Road, Gosforth
1	Associations	Tweed Street	Tweed Street Allotment Association	Tweed Street, Elswick
1	Associations	Walker Road Permanent	Walker Road Permanent Allotment Association	Walker Road, Byker
1	Associations	Walkergate 3A	Walkergate 3A Allotment Association	Welbeck Road, Walker
1	Associations	Walkergate 3B	Walkergate 3B Allotment Association	Scrogg Road, Walkergate
1	Associations	Walkergate Hospital	Walkergate Hospital Allotment Association	Benfield Road, Walkergate
1	Associations	West Denton Allotment	West Denton Allotment Association	Longstone Square, West Denton
1	Associations	Westmacott Street	Westmacott Street Allotment Association	Westmacott Street, Newburn
1	Associations	Whinneyfield Road	Whinneyfield Road Allotment Association	Whinneyfield Road, Walkergate
1	Associations	Woodbine Terrace	Woodbine Terrace Allotment Association	Jesmond Vale, Sandyford
1	Associations	Woodlea Gardens	Woodlea Gardens Allotment Association	Woodlea Gardens, Gosforth
		Individual Sites		
2	Individuals	Alderwood Crescent (Plot 1)	Alderwood Crescent, Walkergate	
2	Individuals	Alderwood Crescent (Plot 2)	Alderwood Crescent, Walkergate	
2	Individuals	Alderwood Crescent (Plot 3)	Alderwood Crescent, Walkergate	
2	Individuals	Back Byker Street (Plot 1)	Byker Street, Walker	
2	Individuals	Back Byker Street (Plot 2)	Byker Street, Walker	
2	Individuals	Birch Terrace (ind, rear of 11)	Birch Terrace, Walker	
2	Individuals	Birch Terrace (ind, rear of 12)	Birch Terrace, Walker	
2	Individuals	Birch Terrace (Plot 1)	Birch Terrace, Walker	
2	Individuals	Birch Terrace (Plot 2)	Birch Terrace, Walker	
2	Individuals	Dene Gardens (Plot 1)	Dene Gardens, Lemington	
2	Individuals	Dene Gardens (Plot 2)	Dene Gardens, Lemington	
2	Individuals	Dene Gardens (Plot 3)	Dene Gardens, Lemington	
2	Individuals	Dene Gardens (Plot 4)	Dene Gardens, Lemington	
2	Individuals	Dene Gardens (Plot 5)	Dene Gardens, Lemington	
2	Individuals	Dene Gardens (Plot 6)	Dene Gardens, Lemington	
2	Individuals	Dukes Cottage (Plot 1)	Dukes Cottages, Newburn	
2	Individuals	Dukes Cottage (Plot 2)	Dukes Cottages, Newburn	
2	Individuals	Dukes Cottages (ind)	Dukes Cottages, Newburn	
2	Individuals	Ebba Walk (Plot 1)	Ebba Walk, Gosforth	
2	Individuals	Glanton Wynd (Plot 1)	Glanton Wynd, Gosforth	
2	Individuals	Hadricks Mill Court (Plot 1)	Hadricks Mill Court, Gosforth	
2	Individuals	Hutton/West Street (Plot 1)	Coxlodge	
2	Individuals	Percy Terrace (Plot 10)		
2	Individuals	Percy Terrace (Plot 1a)	Percy Terrace, Newburn	
2	Individuals	Percy Terrace (Plot 1b)	Percy Terrace, Newburn	
2	Individuals	Percy Terrace (Plot 2)	Percy Terrace, Newburn	
2	Individuals	Percy Terrace (Plot 3a)	Percy Terrace, Newburn	
2	Individuals	Percy Terrace (Plot 3b)	Percy Terrace, Newburn	
2	Individuals	Percy Terrace (Plot 4)	Percy Terrace, Newburn	
2	Individuals	Percy Terrace (Plot 5)	Percy Terrace, Newburn	
2	Individuals	Percy Terrace (Plot 6)	Percy Terrace, Newburn	
2	Individuals	Percy Terrace (Plot 7)	Percy Terrace, Newburn	
2	Individuals	Percy Terrace (Plot 8)	Percy Terrace, Newburn	
2	Individuals	Percy Terrace (Plot 9)	Percy Terrace, Newburn	
2	Individuals	Thorne Terrace (Plot 1)	Thorne Terrace, Byker	
2	Individuals	Thorne Terrace (Plot 2)	Thorne Terrace, Byker	
2	Individuals	Walker - Welbeck Road (Plot	Welbeck Road, Byker	
2	Individuals	Walker - Welbeck Road (Plot	Welbeck Road, Byker	



2 Individuals	Wallington Drive (Plot 1)	Wallington Drive, S.W Denton
3 Other	Tweedy Terrace (Plot 1)	Tweedy Terrace, Byker
4 Adopted	Keilder Way (Plot 1)	Kielder Way, Gosforth
4 Adopted	Keilder Way (Plot 3)	Kielder Way, Gosforth

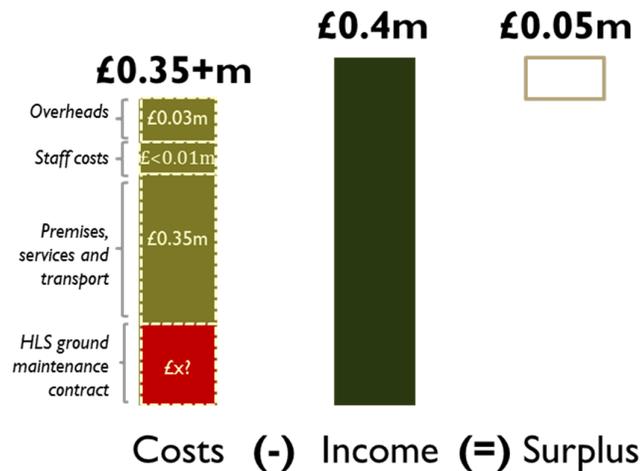
Appendix C

Implication of leaving sites with council

Currently the following sites will be left in council management:

- Closed graveyards
- Playgrounds outside parks
- Town Moor
- Westerhope Golf Club
- Newcastle United GC
- Other small open spaces (e.g. verges)

The costs and income of the sites to be left with the council are shown below. These figures are taken from the 2015/16 financial ledger and include all sites included in this ledger that are not in scope. This does not include closed graveyards or playgrounds outside parks, nor does it include costs that sit outside the ledger, such as HLS maintenance costs.



The individual income and costs of allotments and recreation grounds are shown below for NCC's reference.

All figures £k	Recreation Grounds	Allotments
Income		
Commercial Property Leases	23	-
Cafes, catering and retail	-	-
Car parking	10	-
Events	-	-
Allotments	-	91
Grants/donations	-	-
Agriculture/forestry	-	-
Other streams	-	-



Total Income	33	91
Expenses		
Employees	-	(33)
HLS Maintenance	(435)	-
Premises, Supplies and Transport	(123)*	(113)
Total Expenses	(558)	(146)
Overhead*	(11)	(13)
EBITDA	(536)	(68)

**8.6% of employee, premises supplies and transport expenses*

**it is likely that a proportion of the £300k of premises costs that were removed from the financial ledger to avoid double counting of work that was billed separately by HLS relate to allotments and recreation grounds. However as we do not have this level of detail, the model assumes that all £300k is attributable to principal and neighbourhood parks.*



Appendix D

Assumptions

The model takes the business as usual data outlined above and applies a series of assumptions to it based on our discussions with NCC, National Trust and external research and benchmarking.

1. General

General assumptions cover the model start date, inflation rates, corporation tax rates and number of working hours in a week.

GENERAL ASSUMPTIONS

Annual revenue inflation rate	2.0%
Annual cost inflation rate	2.0%
Annual salary inflation rate	2.0%
Tax rate	0.0%
# hours worked per week	40
# working weeks in year	47

Inflation rates: estimates taken from CPI website.

Corporation Tax Rate: as a charity, trading activity carried out for charitable purposes as well as any grants and donations should be exempt from corporation tax.

Working Hours: Figures based on 52 weeks in a year, with 5 weeks holiday.

2. Dashboard Assumptions

The dashboard of the model contains some of the main assumptions and allows the user to adjust these assumptions and see the immediate impact on the outputs of the model.

KEY ASSUMPTIONS

Model start	Jan-17	Assumes that the Park Trust starts 1 year after the model start date. In this case, the Park Trust will start in Jan 2018.
Years to TOM	5 years	Shows the number of years over which revenue increases and cost savings will be ramped up. Feedback from National Trust suggested that this will be a 5-10-year



	project, therefore we are assuming all revenue and cost saving measures will be implemented at the end of 5 years.
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Cost Sensitivity

Premises Cost Saving %	30%	30% saving assumed based on conversations with NCC. Premises costs includes repairs and maintenance, utilities and cleaning. 65% of premises costs are from grounds maintenance and reactive repairs. NCC believe these costs could be reduced ~50% through more effective procurement / use of volunteers. This represents ~30% of the overall premises cost bill.
Transport, support and supplies cost saving %	15%	15% saving based on conversations with NCC around more efficient procurement of services.
H&S Cost Saving %	25%	25% cost saving on Health and Safety checks assumed based on conversations with NCC
Revenue growth post TOM reached	2%	Assumption based on feedback from other park managers to reflect the fact that the Trust will contribute to look for revenue and efficiency opportunities. Feedback also suggests that it is reasonable to assume that revenue would continue to grow, and this is less than the amount of growth targeted by other entities managing parks.

3. Costs

Grounds maintenance costs

Highways and Localised Services (HLS, another council department) currently provide maintenance to the parks (e.g. grass cutting, bed maintenance). Research suggests that the most cost effective way of managing these costs will be for the Park Trust to employ its own gardening / maintenance team consisting of 7 general maintenance staff, 4 grass maintenance, 2 bed maintenance, 2 pitch maintenance. The calculations behind the staff numbers required are shown below.

HLS Maintenance Costs	Current Cost	Possible to be performed in house?	Cost savings (% of cost)	Capex to realise saving
Grass Cutting	415,000	Yes	100%	9,000
Bed Maintenance	259,000	Yes	100%	-
Hedge Cutting	15,000	Yes	100%	-
Pitch Marking and maintenance	325,960	Yes	100%	4,000
H&S Checks and maintenance	236,040	N/A	25%	-

Grass Cutting

Number of sites (with grass)	49	NCC HLS breakdown
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Cuts p.a.	10	Average number of cuts p.a. based on conversations with NCC
Hours per cut	12	Average hours per cut based on conversations with NCC
% of staff time spent in travel	20%	SF estimate
Number of working hours p.a.	2,000	SF estimate
Number of working hours for grass cutting p.a.	1,600	
Hours required for grass cutting p.a.	5,880	
Staff required to complete grass cutting	4	

CapEx Assumptions

Number of machines required	6	Grass cutting takes place mostly in spring and summer, therefore staffing structure likely to be 6-8 part-time seasonal staff.
Cost per machine	1,500	http://www.mowdirect.co.uk/lawn-garden-tractors/ride-on-mowers-rear-engine/all-deals-4049/rom-filter-type/rear-collect

Bed and Hedge Maintenance

Number of Principal and recreation Parks	24	Recreation grounds and countryside have minimal formal beds and hedges
Average number of bed / hedge maintenance days p.a.	12	As per discussion with NCC rangers
Number of working days p.a.	250	SF Input
Travel time	25%	SF Input
Working days p.a. adjusted for travel time	188	
Required days for bed / hedge maintenance	288	
FTE Equivalent	1.5	

Pitch Marking and Maintenance

Number of pitches in portfolio	101	NCC HLS breakdown
Hours to mark a pitch	2	SF Input
Number of times per year	15	Per conversations with NCC rangers
Travel Time	20%	SF Input
Hours required to mark pitches	3,030	
Staff required	2	

H&S Checks and maintenance

25% of these costs are due to litter picking, path clearance and weeding. It is assumed that all of these tasks can be comfortably completed by the 7 general maintenance staff, or by an increase in volunteers.



Cost Contingency Buffer

We have added in a £125k cost contingency buffer each year for any unexpected costs.

Staff-Costs

We assume that all existing staff are maintained and the maintenance staff team mentioned above are added. We also assume that any existing pension deficit is not transferred to the new Trust, and that new staff are hired on a pension of 5%.

Staff Profile	Existing FTE	Existing Base	Current Total Cost	Target FTEs	Change in Staff #	New Base Salary	New Staff Cost
Employee 1	1.00	26,556	33,112	1.00	-	26,556	-150
Employee 2	0.46	15,320	8,429	0.46	-	15,320	-150
Employee 3	0.48	17,169	9,953	0.00	0.5	17,169	-9,328
Employee 4	0.50	16,772	10,120	0.00	0.5	16,772	-9,478
Employee 5	1.00	22,434	27,787	1.00	-	22,434	-150
Employee 6	1.00	35,093	44,142	1.00	-	35,093	-150
Employee 7	1.00	26,556	33,112	1.00	-	26,556	-150
Employee 8	1.00	38,789	48,917	1.00	-	38,789	-150
Employee 9	0.50	25,050	15,468	0.50	-	25,050	-150
Employee 10	1.00	24,677	30,685	1.00	-	24,677	-150
Employee 11	4.00	28,326	142,289	4.00	-	28,326	-150
Employee 12	2.00	23,935	59,683	2.00	-	23,935	-150
Employee 13	0.33	18,337	7,268	0.33	-	18,337	-150
Employee 14				0.00	-	18,337	-150
Employee 15				7.00	7.0	18,337	143,260
Employee 16				4.00	4.0	18,337	81,798
Employee 17				2.00	2.0	18,337	40,824
Employee 18				2.00	2.0	18,337	40,824
Total	14.3		470,966	28.3	14.0		285,800

Trust Costs

Trust Staff	FTE	Base salary	Fully-loaded salary
Finance / Admin	1.5	35,000	59,974

Benchmarks taken from Charity Job website, based on jobs in North East. Staffing levels based on benchmarks, especially around the number



			of marketing and commercial staff required.
Marketing / Commercial	3.5	25,000	98,990
HR	0.5	35,000	19,991
Governance	0.5	30,000	17,066
Chief Exec	1.0	75,000	86,783
Total	7.0		282,805
Year staff hired	Year 1		

Overhead

Staff Overhead	10%	Staff overheads of 10% assumed as premises costs are included separately within the premises cost line
Staff Training	20,000	Based on NT benchmark
Annual consulting / specialist costs	30,000	Assumes 60 consultancy days for legal, IT, finance, estate management required

Transition Costs

The assumptions below are based on estimates from similar work conducted by Social Finance. They allow for approximately 60 days of legal advice, 25 days of change management consultancy, 30 days of HR consultancy, and 100 days of other advice including IT and estates consultancy (all based on £750 per day).

ICT Consultancy	25,000	
Estates Consultancy	10,000	
Change Management Consultancy	20,000	
HR Consultancy	25,000	-
Legal	50,000	
Other	25,000	
Contingency Costs	15,500	10%
Total	170,500	

Volunteers

Volunteer time and effectiveness

Growth in volunteer time	3%	Assumption agreed by benchmark although it may be conservative.
Volunteer direct benefits		



Donated hours	45,598	NCC Input
Equivalent number of volunteer hours per FTE	1,880	
Value of volunteer hour (£)	11	From NCC report to HLF on Ouseburn park improvements
Volunteer direct costs		
Volunteer manager to volunteer ratio	15	Based on NT benchmarks
Volunteer manager gross salary (£)	20,000	SF Input
Fixed £ Costs per Volunteer hour	1.0	Based on NT benchmarks

4. Income

Revenue Assumptions

Existing Revenue Streams; please see below for a breakdown calculation of each input (please note that the inputs here may be rounded as they are estimates)

Existing Revenue Streams	Current Revenue	TOM Additional Revenue	TOM Additional Cost	TOM Additional Capex
Commercial Property Leases	203,000	135,000	13,500	84,000
Cafes, retail and concessions	26,000	130,000	13,000	-
Car parking	25,000	300,000	70,000	300,000
Events	17,000	400,000	40,000	100,000
Allotments	91,000	110,000	-	10,000
Grants/donations	21,000	150,000	50,000	-
Agriculture/forestry	7,000	-	-	-
Other streams	9,000	-	-	-
Total	399,000	1,225,000	186,500	494,000

Commercial Property Leases

Assumptions based on adding 50% to current lease amounts and renovating two properties.

General Assumptions

% Uplift from renegotiating	50%	% increase based on conversations with NCC and National Trust. NCC already identified specific opportunities from renegotiations and management estimated % uplift possible. NT noted that a further % increase was possible through including profit shares in renegotiations.
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Revenue Assumptions

Busy Cottage Annual Revenue	34,000	According to Park Management Appraisal received from NCC
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Cost Assumptions

Additional property costs as % of revenue	10%	SF Estimate
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CapEx Assumptions

Busy Cottage	84,000	Park Management Appraisal
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Revenue

Additional Revenue from contract renegotiation	101,500
Busy Cottage Annual Revenue	34,000
Total Revenue	135,500

Costs

Costs of running new buildings	-13,550
Capex	84,000

Cafes, retail and concessions

Assumptions based on adding 8 concessions to the portfolio, and adding two new café sites.

Assumptions

General Assumptions

Number of new concessions	8	Benchmarked.
Number of new café sites	2	NCC identified 2 sites that could be taken over in the meeting on 11 th Jan 2017

Revenue Assumptions

Revenue per Concession	10,000	Benchmarked.
Revenue per new café site	25,000	Estimate provided by NCC in meeting on 11th Jan 2017.

Cost Assumptions

Cost as a % of revenue	10%	Benchmarked.
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Capex Assumptions

Investment per site	-	Buildings are already operational
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Forecast

Revenue

Concession revenue	80,000
Revenue from new leases	50,000
Total Revenue	130,000



Costs	
Overhead costs	13,000
Total Costs	13,000

Car Parking

Assumptions based on charging for new spaces in Leazes Park (which are already committed to be built), charging for the unused spaces throughout the portfolio, and building a small number of additional spaces.

Assumptions

General Assumptions

Figure Source

Car park spaces in Leazes	55	Quoted by park managers
Occupancy in Leazes	75%	Conservative estimate based on report showing Leazes Park Road car park occupancy currently 93% on weekday term time: https://www.newcastle.gov.uk/sites/default/files/wwwfileroot/parking-roads-and-transport/cycling/newcastle_parking_study_report_with_appencices1.pdf
Opening Hours per day	8	SF estimate
Approximate uncharged car park spaces	600	Figures provided by NCC
Affected sites	20	Figures provided by NCC
Potential for brand new car park spaces	100	SF estimate
Occupancy	15%	NT estimate

Revenue Assumptions

Price per Hour (Leazes)	1.20	Current price: comparable to city centre and hospital car parking rates; Comparable NCP car park in Newcastle costs £10 for three hours. The hospital car park is exactly £1.2 per hour http://www.newcastle-hospitals.org.uk/hospitals/royal-victoria-infirmery-how-to-find-us_car-parking.aspx
Price per Hour (Other sites)	0.50	SF Estimate

Cost Assumptions

Total Number of staff for monitoring	3.50	SF Estimate
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Staff Average Total Salary	20,000	SF Estimate
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Capex Assumptions

Investment per site	5,000	Benchmarked.
Cost per new car park space	2,000	Benchmarked.

Revenue

Revenue Leazes	144,540
Revenue new and uncharged spaces	153,300
Total Revenue	297,840

Costs

Staff Costs	70,000
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Capex

Site development	100,000
New space development	200,000

Events

General Assumptions

Number of small events	150	Benchmarked.
Number of large ticketed events	6	e.g. music festival, food festival, fireworks display, sports race, markets. 4 large events agreed with NCC, increased to 6 based on Check and Challenge feedback.
Average duration of a ticketed event (days)	2	SF Input
Average daily attendees to a ticketed event	5,000	SF Input - conservative input based on comparatives (e.g. 25,000 attendees at 4 day Exhibition Park festival, 70,000 daily attendees at Manchester ParkLife music festival, Great North run 50,000 attendees, Blackheath firework display has 80,000 attendees)
Number of Jesmond Dene weekly visits	20,000	Based on HLF Ouseburn Park Report
% of visitors who return weekly	40%	" p.40
Duration of major event (e.g Winter Wonderland) (days)	30	Based on 1 month of festival
Total number of unique regular visitors during period	59,429	
% of regular visitors attending event	75%	SF Input



% of additional weekly visits due to event	50%	SF Input
Number of specific major event visitors	42,857	Calculated - (number of event specific visitors) seems reasonable given a 4 day Christmas park event attracted 25,000 people in Exhibition park
Number of regular visitors attending major event	44,571	

Revenue Assumptions

Revenue per small event	200	Based on medium size charity / community event in benchmark. Conservative estimate based feedback that £3k for a small event is realistic.
Ticket revenue per large / major event attendee	1.5	Conservative input based on £3-5 charge in Benchmark
Daily site rental for a large event	5,000	Conservative input based on £1000-£20,000 range for out of town London parks
Daily site rental for a Winter Wonderland event	2,500	Conservative input based on £1000-£20,000 range for out of town London parks

Cost Assumptions

Cost as a % of revenue	10%	Benchmarked.
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CapEx Assumptions

Capex Payback period (years)	1	Presume all costs borne by event host
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Revenue

Small Events	30,000
Large Events	150,000
Winter Wonderland	206,143
Total Revenue	386,143

Costs	38,614
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Capex	100,000	Capex based on assessment of the two main potential event parks in the NCC portfolio
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Allotments

Assumes around 100 more plots built, a 10% increase in allotment rates and 25% of all sites start advertising.

General Assumptions

% increase in rents	10%	SF estimate - agreed with park management
Average allotment size (m2)	250	Park Management estimate
Number of allotments per hectare	40	Calculated
% of parks suitable for allotments	1%	SF Estimate



Number of new allotments	93	Calculated
% additional sites with advertising	25%	SF Estimate
Number of allotment sites	64	NCC
Revenue Assumptions		
Advertising revenue per allotment site	6,000	NCC
Annual revenue per allotment p.a.	80	NCC
Cost Assumptions		
Allotment costs	-	Allotments are self financing
CapEx Assumptions		
Cost to create one allotment	100	SF Estimate
Revenue		
Increased fees	9,100	
New allotments	7,456	
Advertising	96,000	
Total Revenue	112,556	
Costs		
Costs of running allotment	-	
Capex	9,320	

Grants/donations

This assumes one employee with a gross salary, generating £150k in grants / donations.

New Revenue Streams

These represent opportunities for revenue lines that are not currently in place in Newcastle. The assumptions for these are all based on external benchmarks and feedback.

New Revenue Streams	Eligible portfolio (sites)	TOM Revenue / Site	TOM Cost / Site	TOM Capex / Site	
"Pay to Play"	1	50,000	-	300,000	Based on benchmark (conservative estimates used – revenue could be up to £100k p.a.)
Renewable energy installation	2	30,000	-	-	Based on benchmark - electricity company pays rent for the turbine: http://www.chad.co.uk/news/wind-turbine-plans-at-newstead-and-annesley-country-park-given-green-light-1-7530606
Corporate / Business Sponsorship	2	30,000	25,000	-	Large business sponsors £30k per park; other opportunities through payroll giving; no capex but would need additional fundraising FTE - wage estimated at £25k



Education and Training Provision	2	50,000	25,000	5,000	Estimate: benchmark generates £20k from educational activities; £10k from green academies; £9k from University Partnership; estimates of additional National Citizen Service fees; need c.1 FTE to administer
Woodland Burial	50	700	-	-	Woodland burial sites costs £700 (excluding the cost of preparing the plot), each plot requires 6m2 (1,666 per hectare). Presume 1 burial per week. http://woodlandburialtrust.com/costofwoodlandburial.htm
Licensing	40	300	-	-	Benchmarked group fitness licenses cost from £680 p.a. Assume £500 in Newcastle, and 15 licenses sold. (500*15). In benchmark, dog walking licenses cost £300 p.a, and there are 50 licensed walkers. Assume 25 licenses sold for £200 p.a
Health Services	3	25,000	-	-	Based on conversations with Newcastle health experts in public health - assumes providers pay for capex and running costs

5. Taxation

The model includes a VAT provision of £270,000 p.a. based on advice provided by E&Y as of June. Discussions to refine and provide assurances on this number are ongoing, and NCC will need to update the Target Operating Model to incorporate any updated advice received.