



# Future Parks

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## **Future Parks**

### **Financial tool user guide – appendix**

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This document provides further detail around the assumptions which underpin the financial projections.

These have been developed by Social Finance, together with the National Trust and other industry experts and will continue to be refined as our work progresses.

# User Guide – Appendix

## General

Model timing, inflation assumptions and tax:

<i>Assumptions</i>	
Model duration	10 years
Time to Target Operating Model	3 years
Annual revenue inflation rate	1.0%
Annual cost inflation rate	1.0%
Annual salary inflation rate	1.0%
Applicable Tax rate	0.0%

## Endowment

Expected returns on any Endowment raised:

<i>Assumptions</i>		
Scenario 1	2.5%	Benchmark
Scenario 2	3.5%	Benchmark
Scenario 3	4.5%	Benchmark

## Revenue

*New Revenue Streams:* Estimated target income, costs, and associated investment horizon for new income and associated scenarios for proportion of target which is realised:

	Year added	Ramp up period	Incremental financial ratios		
			Revenue / Site	Cost / Site	Capex / Site
Major event(s)	Y4	2 years	20,000	8,000	-
Destination park	Y4	3 years	1,000,000	800,000	500,000
Renewable energy	Y4	4 years	100,000	50,000	250,000
Health Provisioning Services	Y4	2 years	100,000	-	50,000
Corporate / Business Sponsorship	Y4	2 years	30,000	25,000	-
Education and Training	Y4	1 years	50,000	25,000	-
Urban Farming	Y4	4 years	10,000	8,000	5,000

	Percentage Realisable		
	Base	Medium	High
Major event(s)	100%	125%	150%
Destination park	100%	200%	300%
Renewable energy installation	100%	200%	300%
Provision of Health or Flooding Benefits	100%	100%	200%
Corporate / Business Sponsorship	100%	200%	300%
Education and Training Provision	100%	200%	300%
Urban Farming	100%	200%	300%

*Incremental Revenue Streams:* Estimated growth in revenue under different scenarios:

### Assumptions

	Growth assumptions (as % of baseline annual revenue)		
	Base	Medium	High
<b>Service Contracts</b>			
Large Contracts	100%	100%	100%
Small Contracts	100%	100%	100%
<b>External Revenue</b>			
Car parking	150%	150%	400%
Cafes, catering and concessions	130%	200%	300%
Commercial Leases	100%	150%	150%
Events	100%	150%	200%
<b>Grants/donations</b>	100%	125%	150%
<b>Agriculture/forestry</b>	150%	250%	400%
<b>Other streams</b>	100%	100%	100%

## Staffing

Estimated target staffing ratios under different scenarios:

### Assumptions

	Units ha/FTE	Staffing ratios		
		Base	Medium	High
Minimum allowable on-the-ground staffing ratio		2	4	10
Minimum allowable management staffing ratio	Front line staff per manager	3	4	5
Minimum allowable back-office staffing ratio	Back office staff per manager	2	3	4

## Non-Staff Costs

*Premises Transport and Supplies:* Estimated target operating ratios and estimated cost savings under different scenarios:

### Assumptions

	Units	
Best in class premises costs per hectare	£/hectare	400
Best in class transport cost per FTE	£/FTE	200
Best in class supplies cost per FTE	£/FTE	500
Best in class other cost per FTE	£/FTE	200

	Cost savings (as % of baseline cost)		
	Base	Medium	High
Premises	5%	10%	15%
Transport	10%	20%	30%
Supplies	10%	20%	30%
Overheads	10%	20%	30%

*Other costs:* Estimated contributions for any costs not currently included:

### Assumptions

	Units	
IT	£/FTE	75
Human Resources	£/FTE	75
Procurement	£/FTE	75
Utilities	£/FTE	10
Rent	£/FTE	50
Business rates	£/FTE	10
Printing, marketing and communications	£/FTE	50
Audit, accounting and legal	£/FTE	50
Insurance	£/FTE	150

## Capital Expenditure

Time to catch up on maintenance backlog and estimated depreciation expense on capex for new revenue lines (see above for capex associated with these lines):

### Assumptions

Depreciation	5%
Time to catch up on critical maintenance backlog	3 years

## Volunteering

Estimated growth in volunteer numbers and volunteer contribution under different scenarios and cost to the trust of managing this volunteer base:

### Assumptions

	Growth in volunteer time per annum		
	Base	Medium	High
Volunteer time	1.0%	2.0%	3.0%
	Volunteer Effectiveness		
Number of volunteers to 1 FTE	10	5	3
Ratio of paid staff to 1 staff equivalent volunteer	2	1	1
Volunteer manager Ratio	15		
Volunteer Manager Base Salary	27,000		

## Transition Costs

Expected costs to transition from the situation today to this new model, scaled according to the size of portfolio being transferred:

### Assumptions

	£	Effective scale factor
ICT Consultancy (CAPEX and Consultancy)	50,000	0.01
Estates Consultancy	50,000	0.01
Change Management Consultancy	50,000	0.01
HR Consultancy	100,000	0.01
Legal	100,000	0.01
Other	50,000	0.01
<b>Total</b>	400,000	0.04
Scale Factor	10,000,000	
Y0 costs	(1,757,997)	
Minimum transition cost	100,000	

## Trust Costs

Expected costs incurred by the new Parks Trust, primarily the staff required to run the Trust and the expected back office support:

### Assumptions

Year staff hired

Year 2

<b>Staffing roles</b>	<b>FTE</b>	<b>Avg base salary</b>
Ops & Community Director	1.0	30,000
Vol. Dev Manager	1.0	25,000
Community Engagement	1.0	25,000
HR	1.0	30,000
Governance	2.0	30,000
<b>Total</b>	<b>6.0</b>	

Office support costs

10%