

Budget Outline Supporting Notes

Introduction

The enclosed Budget Outline covers the total cost of the project. The *total expenditure* figure differs from the total amount requested because it includes income figures and contributions from other funders. The *total expenditure* is off-set by income received from sales and membership fees. The *total for which funding is sought* is then reduced because of the contribution towards premises from Suffolk County Council (see below).

INCOME

User estimates:

Expected Service User numbers, based on following Health-Check data:

Average no. of residents = 8800.

51% would welcome 'leisure learning' opportunities = circa 4500

51% of 10 - 19 year olds (youth) in favour of cafe - total number not listed although there are 1700 people aged under 16. Assume similar number of 10 -25 year olds = circa 800

Of potential 5300 users, assume circa 30 per cent participate =1590 different users

Of these, 5% will become core users = 80 people using the facilities a few times per week

30% will be regular users = 475 people using the facilities once per week.

35% will be sporadic users = 560 people using the facilities more than once per month.

30% will be occasional users = 475 people using the facilities every few months.

Note 1:

Fees based on computer clubs, nominal membership fees to enhance participation - £20 per person per year.

Assume core users and some others become members in Year 1 = 100 people

Assume core and some regular users become members in Year 2 = 200 people

Assume retention of existing users and some growth in Year 3 = 300 people

This leads to a 'cost per member' figure of approx. £500 over 3 years. However, the informal nature of the project means that many more people will actually use and benefit from the facilities than become formal members. Usage statistics will be kept to monitor involvement and participation and ensure that investments are cost effective.

These figures are subject to further refining. Questionnaires to the Youth Club, the Middle School and to High School students, will enable more detailed and accurate forecasts.

Note 2:

Sales equal to expenditure on refreshments. Dual purpose of recovering costs, but also enabling long sessions and providing a welcoming feel to the premises; making the place comfortable, encouraging wide use. £100 pw yr1, £150 pw yr2, £200pw yr3 - covers snacks, teas, and soft drinks.

EXPENDITURE

Strategic Management

Strategic management will be largely done on a voluntary basis, through the management committee. Nominal sum in training to reflect future need for strategic development.

Project Personnel

Project opening hours: 9 – 11, 7 days per week = 98 hours. Minimum staff requirements:

0.2 fte = 1 day per week on management duties (based on 37.5 hpw)

2.5 fte = 93.75 hours per week - to include managers other 4 days

0.4 fte = 2 days per week business systems support, IT security etc.

Project Costs

Advertorials, website, flat rate indicates heavier reliance on word of mouth in later years.

Recruitment costs cover adverts etc - subsequent years cost allows for 1 staff member to be replaced annually.

Subscriptions to covers costs associated with technical support organisations and licences for software etc. (exclusive of hardware costs). Also covers subscriptions to, for example, business advice services.

Premises - "fully serviced"

****See Note below****

Inclusive of:

Advertising and Promotion; Audit Fees; Bad debts; Bank Charges; Cleaning; Depreciation; Development; Fund-raising; Gardening; General Maintenance; Insurance -all risks; Office Machinery; Rates; Renewals and Replacements; Rent; Stationery; Subscriptions; and Telephone.

Based on a total, 'fully serviced' cost of £8 per square foot. 2000 x £8.

*** This cost is going to be met by Suffolk County Council who have offered 'funding in kind'. The premises will be in the back room of the existing Needham Market Youth Club and Community Education Centre. ***

Beneficiary Costs

Expenditure on ALL refreshments – see income derived from sale of refreshments further up. £100 pw yr1, £150 pw yr2, £200pw yr3 – costs covered by sales.

Capital Costs

Equipment based on the cost to buy 12 units, with basic software licences, plus the annual cost of keeping PC's up-to-date.

Materials covers desks, chairs, foot rests, etc.

Other 1 covers peripherals – digital cameras, printers, etc, plus cables and connections.

The cost to lease equipment = £6000 pa (inclusive of support, software licenses and peripherals).

Leasing provides more back-up and support, it is also cheaper (over the three years) than buying equipment. However, at the end of the three years, the hardware is still not owned. If the set-up was purchased, then at year 3 the 12 PC's could be donated and the process restarted. If leased, they never become fully available.

- TB 22/05/06