

## **Cattle Market Makers Project**

### **Studio facility budgets:**

#### **Project Manager's note on recurring income and expenditure**

##### 1. Income

###### 1.1 Tenancies

It is expected that the eight small studio tenancies (at a rent of approximately £50 per month) will generate an annual income of £4,800. Initial levels of local enthusiasm and advance demand for these low-rent tenancies already suggest that full occupancy may be expected from an early stage.

###### 1.2 Workshop space hire

In addition to this, a minimum annual income of approximately £2,600 is projected for the external hire of the project's specialist studio facilities, based in the projects two larger workshops. This anticipates a minimum usage of these facilities during 50% of standard working hours (approximately 10% of the facility's full capacity) at an external hire rate of £5 per two-hour session on any one piece of equipment (note: kiln use will incur a single flat fee rather than a per-hour fee). This highly conservative estimate is based on only 10 such hires per week; it is anticipated that these would most likely be significantly higher. The hire fee may be increased in line with any increased project costs.

##### 2. Expenditure

###### 2.1 Insurance

Annual insurance costs for the facility have been quoted at £681.95. It is intended to include the cost of the initial premium as a claim to the project's external funders. In future years, the cost of this insurance will be funded by the rents paid by the project's tenants and fees generated by the external hire of the workshop spaces. It will be noted in tenancy agreements that monthly rent prices may rise, on an annual basis, in line with any increases in insurance and other costs.

###### 2.2 Ground rent

The ground rent to be paid to Cornwall Council has been set on a peppercorn basis of £1 per annum.

###### 2.3 Upkeep and maintenance

The terms of the tenancy contracts for the eight ongoing tenancies will include responsibility for the basic upkeep of the tenants' own spaces and the sharing of responsibility for the basic upkeep of the facility's communal spaces (courtyard and office space). There is already a great deal of interest in these tenancies;

prospective tenants have particularly expressed a wish to play an active part in this self-supporting, self-sustaining community of makers.

Further to this, individual makers will be identified to take responsibility for the maintenance of specific pieces of specialist equipment in the facility's two workshop spaces, in exchange for a number of hours of free use of that equipment. A number of local makers have already expressed a keen interest in participating in such an arrangement.

It is anticipated, based on feedback from the project's Creative Enterprise Network Forum of local makers, and in consultation with Plymouth College of Art, that these spaces will be equipped with screen-printing, industrial sewing and ceramics facilities. The cost of this equipment is included in the project's externally funded budget.

Agreements for the external hire of specialist workshop facilities will include a statement of users' responsibility for the proper use of the equipment and liability for any damage incurred through its improper use.

The project budget includes a total of £28,080 for the installation of specialist fabrication equipment in these workshop spaces. It is therefore recommended that the project's ongoing annual budget reserves 10% of the value of this equipment (£2,800) to cover costs of repairs and maintenance of this equipment.

A further £1,000 has been added to recurring annual costs to cover any necessary general maintenance of the facility.

#### 2.4 Utilities

Tenants will be responsible for the utility costs for their own spaces.

It is projected (based on utilities budgets for the Public Hall and projected cost increases) that the utility costs for the project's workshop and office spaces should not exceed £1,500 per annum. In the event that external hiring of the workshop facilities were to increase beyond the minimum use projected, the additional incomes generated would cover the utilities resource costs.

#### 2.5 Administration

The project will continue to incur upon Liskeard Town Council the cost of basic administrative resourcing; i.e. the allocation of time from LTC's extant permanent staffing base to service bookings, maintain accounts, issue tenancy agreements, and liaise with tenants and users as necessary. These costs will be covered by the remaining budget: £1,417.05. Costing such resource at approximately £17.50 per hour (including on-costs and overheads: this represents the current administrative cost for the project as funded by ESIF/CC), this would allow 81 hours of staff time dedicated to the ongoing annual administration of the project, or an average of 1.5 hours per week. This should be sufficient for the basic necessary administrative tasks related to facilities hire. In the event that external hiring of the workshop facilities were to increase beyond the minimum use projected, the additional incomes generated would cover the additional staffing time resource costs.

### 3. Surplus

As this facility is not intended (nor by the terms of its funding permitted) to generate a profit for Liskeard Town Council, any minor annual surplus generated would be reinvested in the enhancement of the equipment and facilities.

### 4. Projected annual budget summary

<b>INCOME</b>	
Tenancies	4,800
Workshop hire	2,600
<b>Total income</b>	<b>7,400</b>
<b>EXPENDITURE</b>	
Insurance	681,95
Ground rent	1
Equipment repairs maintenance	2,800
General facilities maintenance	1,000
Utilities	1,500
Administration	1,417.05
<b>Total expenditure</b>	<b>7,400</b>

*Alec Charles, Project Manager, March 2022*