

## CHAPTER 14 – GAINSHARE and EXCESS INCOME PAYMENTS

### THE PROVISION OF WELFARE FUNDS AND SERVICES UNDER CRL

1401. **Introduction.** In a CRL environment, the Authority and Industry Partner (IP) will work closely together to ensure the provision of an integrated catering retail and leisure business that benefits the entire defence community. These benefits may be termed as Gainshare, for legacy contracts, or Excess Income payments for more recent contracts.

1402. **Gainshare.** Various contractual arrangements in the UK and overseas include a mechanism to return to the Authority, as Gainshare, a share of any surplus generated in the CRL trading accounts. Depending on the specific contract the Gainshare maybe guaranteed in full or part. Where there is no guaranteed amount, or only a certain amount is guaranteed, the variable element will be divided in accordance with the percentage split(s) agreed in the contract.

1403. Multi-Activity Contracts (MACs) in the UK and overseas and Public Finance Initiatives typically include a Gainshare mechanism.

1404. **Excess Income.** HESTIA contracts have Excess Income payments. These payments represent 25% of the Guaranteed Rent. This amount is deemed to be income received over and above that required by the Authority to covers its estimated direct costs in making retail trading spaces available to the Contractor.

1405. **Further Information.** All three types of contracts have specific processes for how gainshare or excess income is calculated and distributed. These processes are included in the contract and are available to those with responsibility to undertake and oversee the processes

1406– 1499. Reserved.