

SACRED HEART BARN PROJECT

REPORT OF THE PROJECT STEERING GROUP

TO

SWAFFHAM TOWN COUNCIL

MARCH 2022



EXECUTIVE SUMMARY

In 2021 Swaffham Town Council acquired the Barn Complex from the Sacred Heart Convent School. After professional consultation and consideration of a number of options for future use, the Council decided to pursue its original vision of a centre for the community to enjoy and engage in arts, crafts and performing activities. The Council were also concerned to ensure that such a facility would become self supporting so as not to be a long term drain on the Town's finances.

The Council appointed a Steering Group including Councillors and lay community members to consider the best governance model and operational plan to further those two aims.

This report by the Steering Group explains the outlines of the task, considers alternative models, and makes initial recommendations. If the Council decides to proceed with the project, more detailed plans will be required, based on rigorous market testing and professional advice.

The Steering Group makes the following recommendations:

1. That the aims of the project will best be served by establishing a Charitable Company Limited by Guarantee.
2. That the operational model most likely to succeed is a mix of business hires at competitive commercial rates, supporting the activities of local community groups.
3. That a full time Project Manager should be employed, reporting to the Town Clerk, until a Board of Trustees can properly assume responsibility.
4. That early consideration should be given to the establishment of a formal group of "Friends".

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I. INTRODUCTION

I.1 Background

In 2021 Swaffham Town Council (STC) acquired the Sacred Heart Barn (SHB) building from the Sacred Heart School. Working with Ingham Pinnock Associates, a number of options for the future use of the building were identified. From these options, STC decided to explore in depth the development of the building as a community space with an emphasis on encouraging arts and crafts.

STC therefore appointed a Steering Group, consisting of five Town Councillors and five members of the community (four of each after unavoidable attrition) with an appropriate mix of experience to consider and report back on how best to proceed with this option.

This is the Steering Group's report.

I.2 Scope

After further discussion, the group was asked to focus on two main areas:

- To recommend an appropriate model for the long term governance and management of the SHB, and
- To consider an appropriate mix of activities to ensure both community benefit and a financially viable operation.

I.3 Constraints

The group has not been able to access any rigorous information or professional advice. Specifically, we have not had the benefit of professional market testing or legal advice. It also proved impractical to hold an open day at the site to gather ideas and information from local businesses, community groups and private individuals.

The recommendations are therefore tentative, and STC's deliberations will depend on more detailed information than the Steering Group is able to provide.

I.4 Assumptions

The group has made two assumptions about future STC decisions.

Firstly, that STC will hand over a building to any future governing body or management which is fit and ready for purpose; specifically:

- Planning permission for a change of purpose will have been granted,
- Any necessary renovations to the fabric of the building will have been completed, including the provision of utilities,
- Any necessary internal alterations and redecoration will have been completed, and
- The building complies with all appropriate regulations, for example Health and Safety, Fire Regulations, disabled access and so on.

Secondly, that STC are prepared to provide a suitable tapering subsidy, including initial staffing and operating costs.

2. GENERAL APPRAISAL

The SHB represents a significant investment by STC on behalf of, and for the social benefit of, the local community. The aim is to foster a sense of community by offering local people the chance to engage in creative activities, and enjoy the creativity of others.

2.1 Strengths

- The Barn is a building of character,
- It enjoys a central location,
- It has a variety of spaces which can be used very flexibly,
- One of those spaces is a well-appointed and locally unique auditorium,
- For many of the purposes discussed here, there is little real local competition, and
- It has a history of being used for similar purposes, and a variety of groups, professional, educational and amateur, have expressed interest in using the facility.

2.2 Weaknesses

- It has little dedicated parking,
- Some capital work is required to ensure compliance with various regulations, and to ensure proper provision of utilities separate from the Convent School,

2.3 Opportunities

The chance to:

- Develop a modern, pleasant and flexible space for the community,
- Encourage engagement by operating the reception area in common with the swimming pool.
- Encourage occasional and regular visits from a wide catchment area,
- Encourage the newer and younger residents to participate in Swaffham as a community,
- Contribute to local employment, both part time and full time.

2.4 Threats

In view of the uniqueness of the building and the spaces available, little direct competition is anticipated. However, without proper market testing, the main threat is this:

- Society may have changed to such an extent that there is not enough demand in a town the size of Swaffham to sustain a facility like this.

This threat can be mitigated by an operational mix which includes more business like activities, while remaining consistent with the general aims of STC.

3. GOVERNANCE MODEL

In considering different governance models, the group had the benefit of informal advice from Laura McGillivray, a former CEO of Norwich City Council, whose contribution is gratefully acknowledged.

3.1 Broad Options

The Ingham Pinnock consultation identified four broad options for the future management of SHB:

- STC might run the venue itself as a traditional community space for hire. The Council has rejected this option.
- STC might lease part of the venue to commercial tenants with STC running the remainder for community hire. This is seen as a short-term option by the Council.
- STC might lease the whole building to an existing third party for use as an arts/ craft/ theatre venue for the community. This model has not been market tested, but informal discussions with the most likely local organisation, the Icen Partnership, suggest they would not be interested in extending their current rôle to include the Barn.
- STC might lease the whole venue to a new body specifically set up to run the building as a local art, craft and theatre centre for the local community. This is likely to be the favoured option.

3.2 Social Enterprise Structures

In securing the Barn for community use and benefit, STC is creating a social enterprise – a not for profit organisation whose aim is to provide benefits to the local community rather than profits for shareholders. Any surpluses will be reinvested to further develop the venue. There are three broad models for the governance of social enterprises:-

3.2.1 Community Interest Company

A Community Interest Company (CIC) is a special form of non-charitable company which exists primarily to benefit a community with a view to pursuing a social purpose rather than to make a profit for shareholders. It has a clear commitment to social goals and may attract funding from organisations or individuals with shared goals/interests.

CICs must have a clear formal constitution and need to satisfy the Community Interest Test (which is wider than the Public Benefit Test applicable to Charities), and set this out in a Community Interest Statement. CICs are generally quicker to set up, and whilst regulated by the CIC regulator, there are less stringent governance requirements.

There is flexibility with regard to the type of company structure that can be used, and depending on which option is used CICs can issue shares or dividends and can trade. Directors can be paid.

The assets of the company are locked into the CIC and, if the CIC is dissolved, the assets must be transferred into another asset locked body. This is called the Asset Lock requirement.

CICs are not Charities and do not therefore benefit from the financial and tax breaks of Charities.

3.2.2 Co Operative Society

A co operative is a business that is jointly owned and democratically controlled by all its members. They are trading enterprises providing goods and services and generating profits, but these profits are not taken by outside shareholders - they are under the control of members who then agree how they are to be used. Co operatives use their profits for investing in the business, for social purposes, for the education of its members, for the sustainable development of the community or environment, or for the welfare of the wider community. Co operatives are based on values of self-help, self responsibility, democracy, equality and equity.

There is no formal legal co operative form in the UK, but it is advisable that it is incorporated in order to limit the liability of members, either as an Industrial and Provident Society or by a private company limited by guarantee. Specialist advice is needed from a co operative development body, especially in relation to drawing up the legal structure regarding members, benefits and responsibilities.

Funding for co operatives can take the form of shares or loans from members, or from more traditional sources of funding like banks. Co operatives may be eligible for certain types of grants. Co operatives are not eligible for charitable status as they benefit their own members rather than serving a charitable purpose. They are therefore not able to claim the financial and tax advantages of a charity. Further, the benefits are expected to accrue to the members of the co operative, not necessarily to the community as a whole.

3.2.3 Charitable Company Limited by Guarantee

There are various types of charity models depending on administrative detail, for example whether or not they include a wider membership than the board of directors or Trustees, whether they employ staff or need to enter into contracts, and the liability of individual Trustees. Charitable companies benefit from financial breaks such as reduced business rates, exemption from corporation tax and access to various charitable funding streams. However Charities are highly regulated and there are strict criteria that need to be satisfied to secure registration from the Charity Commission. Trading activity and political campaigning are very restricted.

The best likely model for the Barn, and the Steering Group's recommendation, would be a Charitable Company Limited by Guarantee. This is the model which ensures the widest range of funding possibilities while also enabling the necessary operational flexibility. This organisation would need to be set up and regulated by both the Charity Commission and Companies House. The added administrative complexity is offset by the operational freedom the model grants.

The company will have a Board of Trustees including some nominees from the STC. This will enable the Town Council to have some input to and oversight of the board and the running of the new venue. As a corporate body limited by guarantee, individual trustees would not be personally liable for losses. This model will also enable the new body to employ staff (e.g. manager and administrative staff for the venue), and to enter into contracts (e.g. for the lease of the premises and other things like cleaning, catering and events put on by commercial operators).

To mitigate the administrative complexity, it may be possible to begin with a simpler charity structure. Professional advice is needed to ensure this does not limit future implementation.

3.3 Maintaining the Community Use vision

Balance sheets are easy to quantify and understand. “Benefit to the community” can only be measured by imperfect and indirect means. Nevertheless, STC’s purpose in buying SHB was to add to the social amenities of the town, and to foster community involvement among the townspeople.

It is therefore important to ensure that the balance sheet does not become the only measure of success. Appendix B considers in detail some ways to achieve this, including the presence of Town Councillors on the Board of Trustees, and review and break points in the long term agreement with the managing body.

3.4 The need for a Project Manager

Developing the SHB is clearly a complex and specialised task. To maintain focus and momentum the Steering Group strongly recommends the early appointment of a dedicated project manager to take this forward to a point where it can be handed over to a Trust to run.

His/her first task would be to establish a clear project plan that would bring together all strands of the project, identify key dependencies, the critical path, key decision points and reporting arrangements. He/she will need to work closely with councillors and any Steering Group set up to oversee the project, and other local stakeholders.

Specific tasks will include:

- Identifying possible Trustees and establishing a Shadow Trust Board to enable discussions to begin between the Town Council and the new Trust to ensure consistency of vision and aims,
- Applying to the Charity Commissioners to set up the new Trust,
- Identifying critical works needed to bring the building up to standard, drawing up specifications, obtaining quotes and letting building contracts,
- Obtaining formal approvals such as Building Regulations and planning consents,
- Identifying sources of external funding and making bids to secure capital and revenue finance,
- Ensuring that any decisions about the future of the swimming pool are taken into account in the planning of the Barn project,
- Developing a communications strategy for keeping the public informed and raising the profile of the project locally and with key stakeholders,
- Working with the Shadow Board to establish a business plan for the venue and refining this as plans emerge in relation to users, tenants and operational management arrangements, and
- Reporting regularly to the Town Council on progress, risks and issues as they emerge for key decisions and direction.

4. OPERATING MODEL

Until professional market testing is carried out, it will not be possible to develop a rigorous and costed operating model for SHB. However, the Group was able to identify the four functional areas of the building, and the opportunities for development and use for each. The group also identified distinct classes of potential users, and suggests a different approach for each class to best achieve the priorities of STC with regard to community benefit and financial viability.

4.1 Functional areas

The different areas of the building are at present set up and optimised for their previous use as an annexe of the Convent School. However, with redecoration and appropriate furniture, most of them can be used flexibly for multiple purposes.

4.1.1 Reception area

A large and open space ideal for welcoming guests, visitors and paying customers, and serving as the building's hub. This function is not unique locally, but with some work it will provide the support and hospitality for the full spectrum of the other activities in the building.

In particular, we suggest:

- The construction of an open plan reception and administrative area close to the public access door,
- The alteration of the kitchen to provide a barista style café to service all events and uses of the building, and
- The provision of a licensed bar.

While the venue is not suitable for use as a changing facility, a well serviced reception area could also serve the swimming pool, possibly as an anchor tenant.

4.1.2 Auditorium

Undoubtedly, the main asset of the SHB is the auditorium. The only comparable local facility is WestAcre Theatre, but the Barn has significant extra strengths and opportunities.

- Its town centre location means that is better serviced by transport links and other services,
- It seats considerably more (over 100) compared to West Acre's 70-80,
- Retractable seating and low stage blocks (instead of a fixed, raised stage) make it a very flexible space, and
- When checked and modernised, the sound, lighting and projection facilities make possible a wide variety of uses, not only traditional theatre, community cinema, music, and other shows, but corporate events such as lectures, training, seminars, and private receptions and gatherings.

Before use as a performance space, some weaknesses will need to be addressed:

- Deployable partitioning will be needed in the backstage area or in the current art room to provide segregated dressing areas,
- There are currently no W.C. or washing facilities for performers and crew, and
- Permanent, quiet means of cooling are needed for the upper tiers of seating and technical control booth, where extreme temperatures have caused great discomfort to audiences and staff in the past.

4.1.3 Current pottery suite

The Group feels that there will not be sufficient demand to retain this area as a single use space. However, the kiln should be retained to provide a service for professional and amateur potters. The group is not aware of any similar facility in Norfolk.

Although many large spaces are available for hire in the area, the pottery suite offer smaller, more cost effective spaces for occasional use by individuals or groups of up to half a dozen.

The suite also gives separate access to the patio / garden area.

4.1.4 Current art room

The current art room is of a medium size, and is light and airy. At present it is encumbered by heavy, permanent art tables, but furnished with lighter, folding furniture it would become another flexible use space, of a size midway between the larger reception and auditorium, and the smaller offerings of the current pottery suite.

As discussed above, deployable partitioning might also offer a solution to the lack of performers' dressing rooms, without requiring a dedicated provision.

4.2 Potential users

STC have two main priorities for SHB: that it should provide an arts, crafts and theatre space for the benefit of the local community, and that it should eventually become financially self sustaining. The discussion above of the different zones of the building make it clear that all of them can be used very flexibly, and can therefore appeal to several types of user. By distinguishing the classes of user, and tailoring terms of use to each class, it should be possible to deliver on both priorities.

4.2.1 Anchor Tenants

The long term financial stability of the SHB would be greatly helped by the presence of a long term anchor tenant. While it may be possible to attract an independent organisation in this rôle, the obvious solution would be the use of the reception area as a reception, refreshment and administration area for the proposed swimming pool facility, as well as for the rest of the building.

4.2.2 Professional performances

These would include small touring theatre groups, orchestras and bands, comedy circuits and similar entertainments. There are two possible ways to approach these activities:

- The barn management might book various entertainers, pay them a fee, and operate the event, accepting the risk of poor ticket sales for the prospect of a larger profit, or
- The barn management hire out the venue to suitable groups, which take all, or a large proportion, of the ticket sales, but gives the barn management the security of a fixed hiring fee.

Note that in both cases, the barn management would be expected to operate the bar and café, retaining the profit, and provide box office, front of house and technical staff.

4.2.3 Corporate and private hire

This category includes seminars, training days and similar functions for corporate customers, and private functions such as wedding receptions and other gatherings. There are other local venues offering these facilities, and SHB would need to compete on price and amenities.

4.2.4 Community Groups

Community groups such as art clubs, amateur theatrical and music groups, and other activities, depending on their size, are not able to sustain commercial hire rates. The group suggests a per capita charge for each use for the smaller spaces, and a reasonable division of ticket sales for use of the auditorium, supported by surpluses generated by the more commercial offerings. This approach would generate some income for SHB, while serving the community good and remaining affordable.

4.2.5 Youth groups

There is currently no provision for youth groups in Swaffham, apart from the Army Cadets, and the various branches of the Scouting Movement. Provision for young people is indispensable for the regeneration of the town as a community. It is suggested that youth groups be encouraged on the same terms as other community groups.

Drawing on the experience of the Icen Group, it is suggested that these groups be organised for definite purposes, rather than the Barn just being treated as a “hang out”.

5. PROJECT MANAGEMENT

If STC decides to take the project forward, the previous two sections make it clear that there is a great deal of specialised work to be done. The Town Clerk and his staff are fully engaged with the normal business of the Council, as are the Councillors themselves.

It is therefore likely to be necessary to appoint a full time project manager to develop the project to a state where a Board of Trustees are able to assume responsibility.

A group of “Friends of the Sacred Heart Barn” (or whatever name is chosen for the new facility) would assist the project manager in maintaining focus and ensure continuing community involvement in the development of the project.

6. CONCLUSION AND RECOMMENDATIONS

Developing the Sacred Heart Barn as a modern performance, arts and crafts space for the benefit of the local community is an exciting opportunity to help revive Swaffham as a community and a rural centre, and to encourage newer and younger residents to play an active part in that community.

In the course of the Steering Group's discussions it became clear that the project will be more complex than originally thought, and will require a great deal of specialist insight and knowledge to implement successfully. Nevertheless, the Group was able to clarify many of the issues, and makes the following recommendations:

1. That the aims of the project will best be served by establishing a Charitable Company Limited by Guarantee.
2. That the operational model most likely to succeed is a mix of business like hires at competitive rates, supporting the activities of local community groups.
3. That a full time Project Manager should be employed until a Board of Trustees can properly assume responsibility.
4. Early consideration should be given to the establishment of a formal group of "Friends".

APPENDIX A

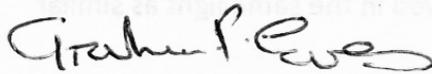
Steering Group Members and Joint Statement

All members of the Steering Group have devoted considerable time and thought to the Sacred Heart Barn project. Each has made a significant contribution to the final report, which represents the consensus of all the members.

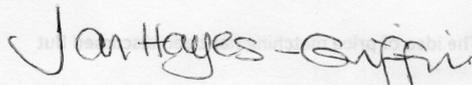
Cllr. Paul Darby



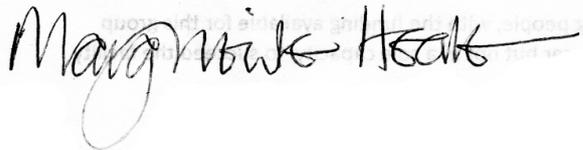
Graham Eves



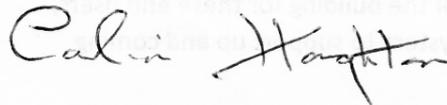
Jan Hayes-Griffin



Meg Heale



Cllr. Colin Houghton



Cllr. Kurt Oliver



Cllr Jill Skinner (Chair)



Philip Wagner



APPENDIX B: *Questions for consideration and clarification by STC*

STC will need to secure legal advice in satisfying the necessary conditions and drawing up the documentation required by the Charity Commissioners and, in parallel, registering a new, not for profit company with Companies House. The new body will be required to file accounts and reports to the Charity Commissioners and Companies House depending on levels of activity and turnover. The new body must critically satisfy the definition of charitable purpose - there are 13 possible descriptions including the advancement of citizenship or community development and the advancement of arts, culture heritage or science.

STC will need to draw up a governing document setting out:-

- What the charity aims to do- its purpose and objectives,
- What powers it has to further its objectives,
- Who the trustees are how many there are and how they are appointed and removed,
- Whether the charity has a wider membership or not,
- Rules about the management of trustee meetings and how decisions are made and recorded and how it will plan and review its work and effectiveness,
- How changes are made to the governing document, and
- How the charity will be closed.

Key to the Governing document is a clear statement of the aims of the charity. This is called the Objects Clause and needs set out what the charity is set up to achieve - its mission statement, who the charity aims to benefit and how they will benefit. The activity of the charity must be beneficial to the public in general or a sufficient section of the public. It is suggested that the objects are broadly worded - too narrow and specific may prove problematic if they fail in the future, as amending a Charitable Trust is complicated.

In parallel, the STC will need to facilitate the setting up of the Shadow Board of Trustees so that is ready to start once all the Charity Commission approvals are in place and the charity is registered. Finding the right people with passion and commitment to the endeavour will be critical. Trustees have independent control over and legal responsibility for the charity management, operation and administration. They must act in the charity's best interests, manage resources responsibly, act with reasonable care and skill, implement appropriate financial controls, manage risks, take appropriate advice, and follow good practice. They must be properly and formally appointed as set out in the Governing document and must sign a declaration to confirm they are not disqualified from such a role and may be subject to a DBS check. Ideally some trustees should have a legal or finance background. Someone with communications or marketing skills would also be an asset.

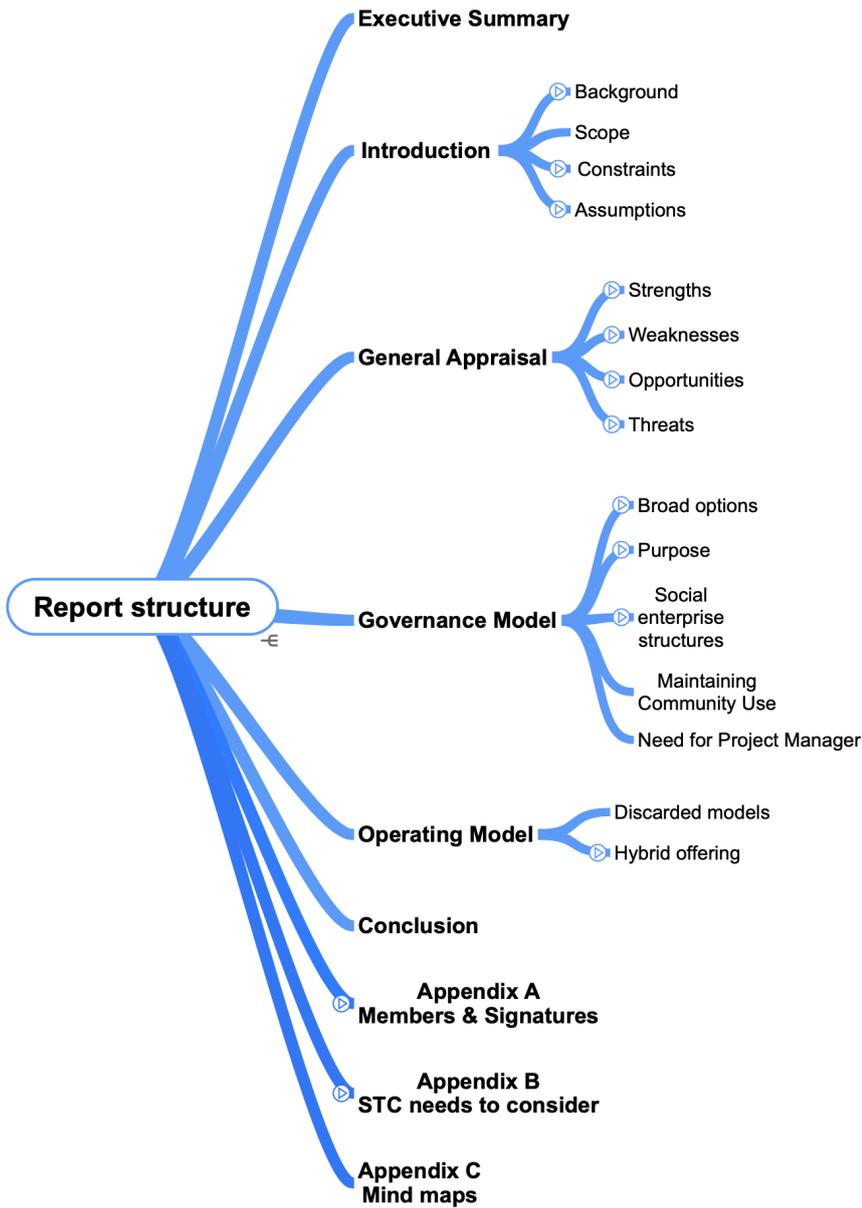
The Town Council will also need to consider a number of issues about its relationship to the Board of Trustees for the Barn. In order to establish a trusted relationship between STC and the board there will need to be clear decisions about issues such as:-

- Lease of the property to the trust – for how long, peppercorn or not, responsibilities for repairs and maintenance? Agreement on what capital works is needed?
- Length of relationship between the Council and the Trust e.g. 5/10/25 years with breaks at certain points to review situation?

- STC's expectations about the Barn's use for the community in return for its continuing support – the balance between community use and more commercially oriented use, and any no-go areas.
- The length of STC's subsidy. It is very unlikely that the venue will be self-sustaining within two years of operation. It is unlikely that any Shadow Board would be willing to take it forward without a longer guarantee of funding from the Town Council. What is a realistic timescale to see if the venue is sustainable financially and in community benefit terms?
- Success criteria. How can community benefit be balanced with financial sustainability? What are the criteria and what monitoring and reporting mechanisms need to put in place for this?
- How many Town Councillors will there be on the Board?
- Will the Council fund one of specific events in addition to general subsidy?
- How will losses be treated over and above general subsidy? What's the appetite and attitude to risk? Is it mutual and shared?
- The need for and level of funding to cover initial staff and running costs
- Development and oversight of the initial business plan and annual review process.
- The selection of a more imaginative and forward looking name, and an appropriate logo, to clearly distinguish the building from its previous ownership and use.

It is important that there is clarity on these issues at the outset so that it is seen as a joint endeavour and to avoid later disagreements between STC and the board.

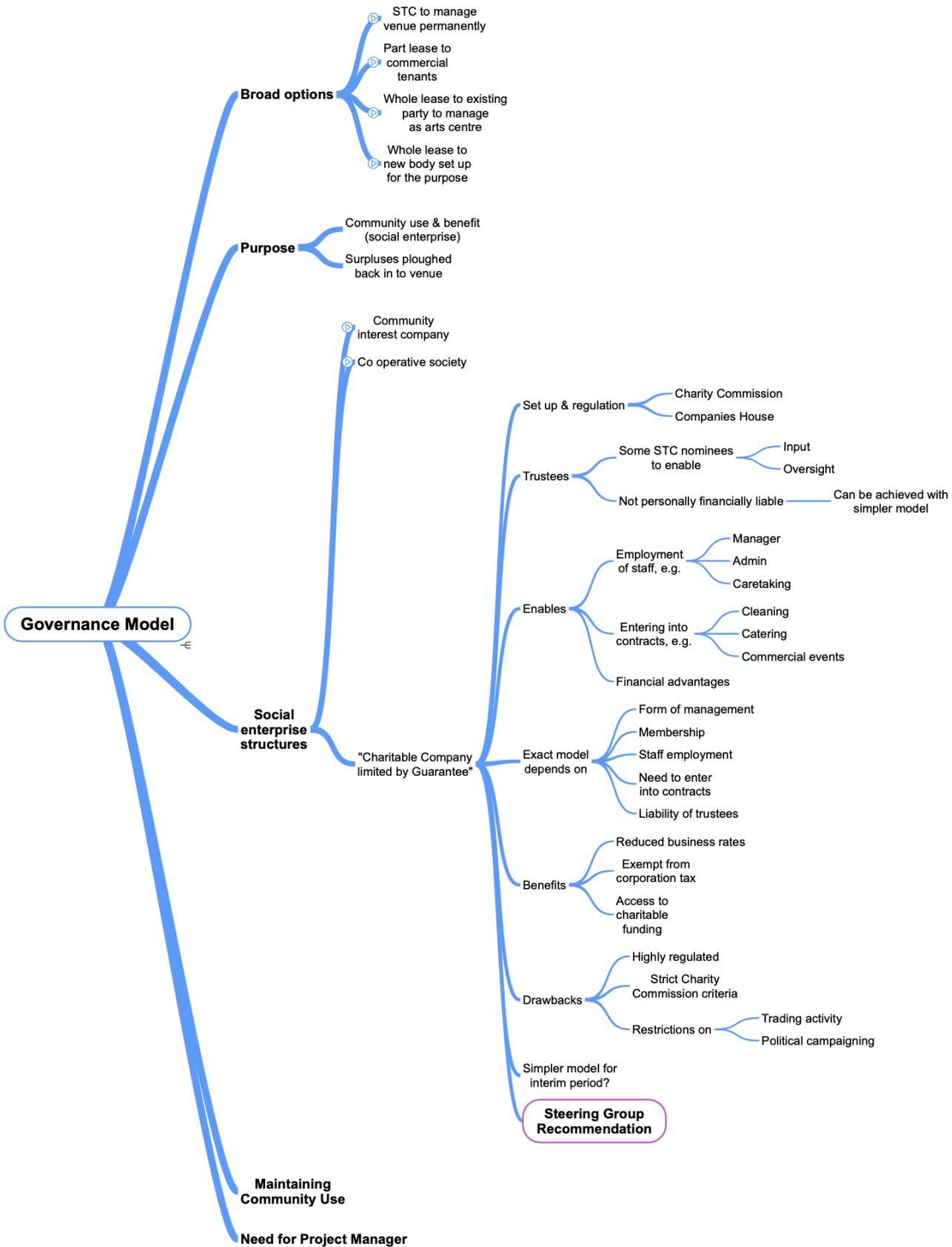
Report Structure



SWOT Analysis



Governance Model



Operational Model

