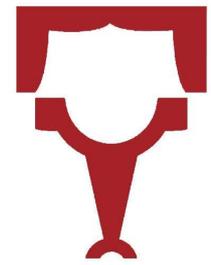


THE CHANTRY CENTRE



AND

LISTER HALL

for all the community

2014/5

Business Plan

DRAFT

Version 1.0

April 2014





Contents

1. INTRODUCTION AND BACKGROUND
 2. THE MARKETING PLAN
 3. THE REFURBISHMENT PLAN
 4. THE FINANCIAL PLAN
 5. 2014 ACTIONS
 6. CONCLUSIONS
- ANNEX A REVIEW OF WIDER STRATEGIC OPTIONS



1. INTRODUCTION AND BACKGROUND

1.1. Background

This document sets out the Business Plan for The Chantry Centre and its associated trading company - The Chantry Centre Trading Company Limited. It is to be reviewed annually.

The Chantry Centre (“the Charity”) is a company limited by guarantee (6983485) and a registered charity (1137554), with directors/trustees from the local community. In July 2011 the Chantry Centre acquired free of charge the freeholds assets of the former Lister Club at 34/36 Long Street, Dursley, GL11 4JB, independently valued at £360,000. The Lister Club was a private members social club that made some of the facilities available for community use on an ad hoc basis.

The principal object of the Charity is to:-

*“Promote the benefit of the inhabitants of Dursley and those civil parishes which immediately adjoin the parish of Dursley without distinction of sex, age, sexual orientation, race or of political, religious or other opinions by associating together the said inhabitants and the local authorities, voluntary and other organisations in a common effort to **advance education, health and amateur sport and to provide facilities in the interests of social welfare for recreation and leisure time occupation** with the object of improving the conditions of life for the said inhabitants”*

To manage the commercial activities of the charity, the Charity set up a wholly owned trading company limited by shares, The Chantry Centre Trading Company Limited (07396495) (“Trading Co”). The Trading Co has some common directors with the Charity but the intention is, as far as is possible, for both the Trading Co and the Charity to have at least one independent director.

Collectively the Charity and the Trading Co are known as “The Chantry Centre”.

In the medium to long term, the target is for profits from the Trading Co to provide a source of income to The Chantry Centre, providing financial sustainability and allowing capital expenditure on the buildings, land and facilities to be financed from a fund built up from trading income.

1.2. Overview of the Facilities

The Charity’s assets at 34/36 Long Street include the Lister Hall along with a number of other adjoining rooms and a garden space to the rear of the buildings.

Of all the facilities the Lister Hall is most significant; it is a truly multi-functional space and can accommodate 350 people as a seated audience, and is equipped with raised seating (donated by the local amateur dramatics society) as well as a stage, projector, retractable screen and theatre lighting. In addition there are a number of smaller rooms – some adjoining the Hall and others physically separated available for range of community activities.



The property shows signs of considerable under-investment over a number of years and is in poor decorative order. The initial focus of the Charity was to ensure that there was no further deterioration to the fabric of the building and as a result more than £80k has been raised and invested in refurbishment/replacement of roofs.

Subject to available funds, and using volunteer labour where appropriate, a programme of improvement is progressing.



Plan of the Chantry Centre Buildings

1.3. Relationship between the Charity and the Trading Co

The Charity has granted the Trading Co, for a peppercorn rent, a 'licence to occupy' the buildings save for the Lister Hall and a portion of the Office. Under the terms of the licence arrangement the Charity is responsible for all major maintenance works.

In return the Trading Co provides the Charity free of charge with a caretaking service – including cleaning, minor maintenance, ensuring the facilities are available to hirers etc. The Trading Co also manages hire of the Lister Hall on a day to day basis, including the collection of hire revenue on behalf of the Charity.

Utilities are paid for by the Trading Co but some costs are then shared between the Charity and the Trading Co.

The Charity has no employees, and the Trading Co has four permanent staff (only one, the manager, full time) and a number of temporary staff recruited for specific events.

Management accounts are prepared on a consolidated basis for the Charity and Trading Co with cost apportionment/recharges post year end.



1.4. Financial Overview

Management accounts for the 2013 calendar year shows a consolidated loss of £[xx]k on a turnover of £[xx]k.

Alcohol sales from licenced premises managed by the Trading Co represent circa 80% of the overall income, and consistent with national trends, sales have declined over the last 5 years or so. Charity income from the hire of the Lister Hall has started to now increase [see xxx].

The principle costs for the consolidated accounts are cost of sales, Trading Co salaries and utilities.

Chantry Centre income is seasonal. Much of the Trading Co income is associated with skittles which is played from September-April. Lister Hall hire has historically been most active in the three months prior to Christmas. Summer months are therefore traditionally quiet – a matter which is being addressed as part of the marketing plan.

Burton Sweet, the accountants for both the Charity and Trading Co, are assisting in the process of moving the two entities to a common year end of August which better reflects the seasonality of the business.

1.5. Mission Statement

The Mission Statement for the Chantry Centre is “to provide to the community, on a commercially sustainable basis, a range of education, health, leisure, sport and social facilities at the Chantry Centre consistent with the Charity’s objects”

1.6. The Business Plan

For ease of use this Business Plan has been split into discrete sections:

- **a Community Engagement and Marketing Plan**
- **a Refurbishment Plan** for the buildings
- **a Financial Plan** (including Fundraising).



2. THE COMMUNITY ENGAGEMENT AND MARKETING PLAN

2.1. Objective

The objectives of the Community Engagement and Marketing Plan are three-fold:

- To **engage with and seek support of as wide a range of the local community** as possible in the future of the Chantry Centre;
- To publicise to various commercial, community and charitable organisations the wide range of **potential uses of the Chantry Centre**;
- To **increase community participation at activities and events** held at the Chantry Centre.

The Trustees are of the view that the Charity will be best able to deliver the mission through the provision of as diverse a range of activities to the community as possible, supported by commercial/private hire of the Charity's assets.

2.2. Community Engagement – “for all the community”

Prior to its ownership by the Charity, the Chantry Centre was in effect a private working mens' club with a large hall hired out infrequently for specific events. Whilst actually owned by a CASC, the community view was that it was still owned by Lister Petter. Informal market research suggests that this continues to remain a perception of a significant portion of the local community and concerns are likely to be raised with respect to the future of the Chantry Centre following Lister Petter going into administration.

There therefore needs to be a continued focus on demonstrating that the Chantry Centre is now a facility which is *'for all the community'*. Whilst some physical changes are necessary (see Refurbishment Plan) much of the emphasis needs to be on marketing recent changes to the Chantry Centre. This is both through greater 'cross-selling' to the estimated **[5,000]** unique individual visits to the Chantry Centre each year (from playing skittles, attending performances or participating in events), and also to the wider local community.

As this is achieved, so it is hoped that community use of and involvement in the running and development of the Chantry Centre will expand from what still remains a relatively narrow base. It is important to note that is not anticipated that community engagement will focus upon direct fund-raising activities [see Finance Plan] – rather financial contributions to the Chantry Centre will largely arise from paid use of the facilities (either by donation – eg Table Tennis), hire charges or ancillary revenue – eg tea/coffee sales.

Examples of recent activities to help develop community engagement include:

- Providing **World Jungle** with a Licence to Occupy a part of the office space at the Chantry Centre. World Jungle (www.worldjungle.org.uk) is a Dursley based, award-winning social enterprise which aims to provide opportunities for people to develop, learn, thrive and have a greater influence on their world through creative activities. The Charity is closely with World Jungle to develop a range of community events;
- In February 2014 – the Chantry Centre and World Jungle held a free “**Try It**” day in which the local community could come and try a range of activities hosted by the



Chantry Centre. It is estimated that more than 500 people attended and further events are planned;

- The “**Secret Garden project**” - working with Transition Dursley and the Explorer Scouts on the refurbishment of the Chantry Centre’s overgrown garden to make it safe area suitable for a range of community activities.

2.3. Widening the Uses of the Chantry Centre

Whilst the Charity can look to develop and deliver a range of community activities itself using the Chantry Centre, it is far more effective, and less commercially risky, if the Chantry Centre positions itself as a “**partner**” to third parties (both community based and commercial) in the delivery of a range of activities hosted by the Chantry Centre.

To achieve this, there is a need for the Chantry Centre to further raise awareness with regards to:

- The range and flexibility of the facilities available at the Chantry Centre. The main Lister Hall already hosts activities as diverse as cheerleading, amateur dramatics, boxing, private parties and table tennis;
- The range of permitted/licenced activities at the Chantry Centre;
- The terms under which such facilities can be made available – for example the Charity can and often does provide facilities on the basis of a sharing risk of success or failure in partnership with local community groups.

It is also recognised that there is a need to (re)develop the existing Chantry Centre assets if it is to provide fit-for-purpose facilities for diverse range of community and commercial needs. This is addressed in the Refurbishment Plan.

Building upon existing facilities, identified potential uses of the Chantry Centre include:

- **Dancing** – it is understood that the dance floor is one of the best in the area – consideration to a range of dance types, tea dances etc
- **Theatrical and musical performances** - building upon the ability of the space, with raised seating, to provide ‘theatre-like’ experiences
- **Community Centre** – development of the “Garden Café” concept providing the potential to host mother/toddler mornings etc
- **Fund Raising Events** – working jointly with charities and other community groups to host a range of larger events
- **Bands/Gigs** – scope for audiences of up to 300 people in licenced facilities
- **Practice Facilities** – practice room separate from much of the rest of the buildings
- **“Club House”** - to become the ‘home base’ for local clubs, community groups etc
- **Sporting and active recreation** – utilising the scale of the Lister Hall and range of facilities - keep fit, table tennis, cheerleading, archery, snooker, roller skating
- **Private Functions** - weddings, christenings, wakes and parties
- Conferences, large scale community meetings, exhibitions, indoor markets, vintage fairs
- Education – healthy living, health and safety



Examples of recent activities to widen the use of the Chantry Centre include:

- Following extensive discussions with Tyndale Archers, a scheme for the use of the Lister Hall in the winter months for weekly **archery practice** is currently being developed
- A large scale projector and screen have been made available to the Charity free of charge and were installed in March 2014. The potential for **community cinema** is now to be fully explored
- For a trial 2 month period one day a week the practice room is to be used as the base for the provision of a range of **alternative therapies**.

Recognising current use patterns, the Trustees are keen to develop additional day time use (for the over 65s) and young mothers and use of the Chantry Centre in the summer months.

2.4. Maximising Community Participation

Maximising community participation and frequency of use of the various activities for which the Chantry Centre is host is critical to the commercial sustainability of the Chantry Centre.

Marketing activity therefore needs to be carefully co-ordinated with that of Chantry Centre users and across a wide range of media in order to be accessible to as much of the community as possible.

In particular, it is important that the Chantry Centre and users optimise the opportunities to 'cross sell' to the others' audience/market. For example, DODs, the local amateur dramatic society, is working with the Chantry Centre as to how best to promote their future productions alongside other activities held at the Chantry Centre.

2.5. Supporting Fundraising

Whilst the principle purpose of the Marketing Plan is not to support Charity fundraising, it is critical that the Marketing Plan is consistent with any fund raising activities. In particular by:

- Providing **accessible directions on how to make donations**
- Giving potential donors a **confidence that their donations will be well spent** by a well run charity with a clear mission statement
- Providing donors with **specific feedback on fundraising activities**
- **Supporting** the requirements as may be set out under the terms of **grant applications**.

2.6. Marketing Plan Summary Actions

Given the nature of the 'offering' the focus of the Marketing Plan actions is upon promotion. Key areas:

- **Cross Selling** – this is critical element if the additional use of the Chantry Centre by the community is to deliver greater commercial sustainability – as in the absence of grant funding community activities are insufficient to finance the Chantry Centre and private hire events are critical to generating sufficient income.



- **Branding/Image** – a simple, traditional brand is currently being used. It is recognised that for the Chantry Centre to appeal to as wide a selection of the community, a brand review will be needed. However, this is not a short term priority.
- **Social Media** – the Chantry Centre has to date relied heavily upon conventional media – local press, posters and word of mouth. A Facebook page has been developed, but more work is needed to ensure its use is being optimised.
- **Conventional Media** – There is an urgent need to develop the signage at the front of the Chantry Centre. Continue active engagement with the **local newspaper** through regular publicity for the “What’s on” section and “When to go” section but also for articles/press releases etc. For specific high profile events, local **radio stations** will be contacted.
- **Web Site** - The current website was developed and is maintained by volunteers as an interim measure until such time as a long term branding strategy had been developed. In the short term there is a need to maintain and develop it but a full overhaul is likely to be necessary as part of brand review.
- **Mailing list** – to be developed for all parties associated with the Chantry Centre – and to receive a monthly newsletter with updates on events, fundraising, progress etc



3. THE REFURBISHMENT PLAN

3.1. Condition of the Buildings

In 2010 an examination of the Chantry Centre was undertaken by a consulting civil and structural engineer. The principle findings were:

- The basic support structures are largely intact and there is no foundation disturbance;
- The roofs are generally in fairly poor condition;
- The buildings were considered worthy of general repair

As a result, at the time it acquired the freehold, the Charity developed proposals for an extensive refurbishment of the building at a cost of more than £250k. The expectation was that the bulk of the funding for the refurbishment would come from S106 monies from the development of the nearby Littlecombe site (see Finance Plan). However, the downturn in the housing market meant that the development of the site has been significantly slower than expected and the proposals were not enacted.

However, the roof repairs were an urgent requirement. As a result, the Charity embarked upon a programme of repairs and has raised over £80k through a combination of donations, grants (Awards for All and Gloucestershire Environmental Trust) and Trustee loans to effect these repairs. They are now complete.

At the same time, whilst there has been limited additional maintenance and various low cost changes made to improve the flexibility of the buildings (eg new door to the Lister Hall, relocating the cellar), significant investment remains necessary to make the buildings fit for purpose and up to modern standards.

The Trustees believe that in the short term it would be a major distraction from marketing activities to embark on fundraising for a significant refurbishment programme but that a progressive series of refurbishment is more appropriate.

3.2. Short Term Refurbishment Plan

Following a stakeholder engagement session in March 2014, the following short term priorities have been identified:

1. **Toilets** – refurbish the toilets to modern standards including baby-changing facilities. Work has started on one toilet with others to follow. There is no requirement at present for shower facilities.
2. **Additional Storage Space** – one of the unique features of the Chantry Centre is that there are a number of small rooms available to provide storage space for regular Lister Hall users. Some need modifications to be fit for purpose.
3. **Office Space** – make additional office space available for World Jungle
4. **Secret Garden Café** – renovate the Chantry Rooms such that they are suitable for a ‘pop up’ café overlooking the garden.
5. **Electrical** – improve the general lighting/flexibility of lighting and sound-ness of electrics in the Lister Hall. Good quality lighting is required for various sporting



activities whilst flexible lighting can significantly alter the impression of the 'space' available.

6. **Heating** - explore modifications to the heating system so as to allow for more energy efficient use of The Chantry Centre – particularly for small scale community activities which do not require the entire building to be heated
7. **Cosmetics** – work is ongoing to improve the cosmetics of the Chantry Centre at least cost. As the Secret Garden project has shown, this can be successfully linked to other community activities to create a positive community view of the Chantry Centre.

3.3. Long Term Refurbishment Plan

At least one year prior to the expected date for receipt of the Littlecombe S106 monies (2016), the extensive refurbishment plans prepared in 2010/11 will need to be reviewed by stakeholders to ensure that they remain an appropriate use of funds.



4. THE FINANCIAL PLAN

4.1. Objective

The long term objective of the Financial Plan is to deliver a self-sustaining future for the Chantry Centre through a diverse mix of income and careful management of costs supplemented by specific fund raising activities.

To achieve this it is estimated that in the long term **£20k** of cash from 'operations' prior to maintenance costs needs to be generated annually to provide adequate capacity to meet the repair/maintenance/refurbishment costs of the Chantry Centre.

4.2. Historic Financials

2013/14 is the first period for which the financial years of the Charity and Trading Co have been aligned. Management accounts and budgeting continues to be run on a calendar year basis until August 2014.

The recent trend has been for the Chantry Centre in effect to 'break even' **although the income decline in 2013 summer months the cash position necessitated £10k of cash injection from third parties**

Charity	12 mths to Aug-11	12 mths to Aug-12	12 mths to Aug-13	12 mths to Aug-14
Incoming Resources	388*	32	xxx	
Resources Expended	(9)	(34)	xxx	
Net For Year	380	(2)	xxx	
Net Assets	385	383		

* Includes the Land and Buildings

Trading Co	12 mths to Dec – 11	12 mths to Dec-12	8 mths to Aug-13	12 mths to Aug-14
Income	97	102	xxx	
Expenditure	(105)	(101)	xxx	
Net Profit	(8)	1	xxx	
Net Assets	(7)	(6)		

The economics of the Chantry Centre are relatively straightforward with a significant fixed cost base and variable costs linked to bar sales. Hire income has negligible marginal costs associated with it.

Based on the 2014 budget a £20k cash position before maintenance can be achieved through:



- Keeping the current sales mix and margins and increasing turnover to £140k; or
- Increasing the gross bar sales margin by 5% and a 10% increase in non-bar sales

4.3. Revenue

Bar Sales

Historically bar sales that have contributed about 80% of the total income in recent years have declined and continue to decrease; as a result it is expected that in line with national trends bar takings will provide a smaller contribution to overall income.

Most bar sales activity is driven by skittles leagues (September – April) and event related sales. Casual trade is negligible and so a good portion of income is ‘captive’; past experience suggests that unit sales per person are, however, price sensitive. March 2014 **Bar sales prices** were such that the Trading Co was competitive with local pubs but the plan is that prices should be increased to such an extent that Trading Co is at the upper end (but not outside) local market prices.

The importance of bar sales to the overall income stream is such that a marketing focus must continue to be applied to those events which typically generate the most significant sales. Specific examples include:

- Charity fund raising events
- Tribute acts
- Local Sports Clubs (Cam Bulldogs dinner)

Greater margins are achieved from the sale of snacks and non-alcoholic beverages and the development of the “Secret Garden Café” is being considered, along with increased profile given to the sale of teas, coffees etc at the bar. The challenge is, however, to generate sufficient ‘foot fall’ to create a cash generative activity.

Room Hire

Good progress has been made in the marketing of the Chantry Centre to community groups. As a consequence a total income for 2014 is projected to be circa **£19k** for the year; a significant increase on the 2013 equivalent projection of **£10k**.

It should be noted that the 2014 forecast is broadly in line with the original Charity Business Plan in which total hire was projected to be £15k in Year 1 and £25k in Year 4. Despite the unique nature of the facilities at the Chantry Centre, competitive pressures (and the fact that both the Trading Co and Charity are VAT registered) means that there are practical limitations on the level of Hall hire income. Whilst there is scope to increase day time use, the key is to look to raise the revenue per person through ‘cross selling’. An example of this is to make the entrance to DODs theatrical events through the bar so as to encourage the purchase of interval drinks.

Both contracted and uncontracted Hire Rates are to be reviewed annually (effective September 2014) and the review process needs to consider any ‘hidden costs’ associated with hire – eg energy costs, staff hours etc.



Sponsorship

Business sponsorship and business partnership of specific events/activities needs to be considered – eg pre-event meals, film advertising, renaming of rooms

Charity Income

See Fundraising Section xxx.

4.4. Costs

Key costs for the Chantry Centre are:

2014 Budget	
Bar Purchases	33%
Staff Costs	38%
Energy Costs (before 2014 increase)	11%
Other Utilities - Water, Insurance, Rates	7%
Other	11%

Bar Purchases - There is a limit to the scope for managing bar purchase costs as they are driven by sales activity.

Staff Costs – The Chantry Centre benefits from a small group of Trading Co employees who are committed, flexible and dedicated to ensuring the future of the Chantry Centre. Discussions are continual with respect to the optimal staff arrangements, particularly for the quieter summer month, when reduced opening hours are likely to be necessary.

Note that HMRC's recent requirements with regards to payroll reporting, it has been necessary for the Trading Co to outsource payroll to Burton Sweet at an additional cost.

Energy costs – These have increased significantly over the last few years. A specific project is in place to review energy consumption with a view to improving energy efficiency and to generate real cost savings for winter 2014/15.

Other Utilities – sewage costs are currently being challenged with the water provider.

4.5. Trading Projections and Forward View

The 2014 budget suggests at best a break-even for the year but with an adverse cash flow position over the summer of £6k-£8k. This is likely to lead to a cash deficit over the summer months and an overdraft facility will need to be put in place to manage this.

The forward bookings for the period September – December 2014 look particularly strong, reflecting the lead time of the recent marketing activity although there is much still to be done if the Chantry Centre is to achieve the objective of £20k per annum of free cash.



It is highly desirable if a reserve fund could, in time, be developed.

The nature of the current finances of the Chantry Centre are such that trading needs to be continually monitored and alternative strategic options (set out in Annex A) reviewed on a regular basis.

4.6. Fundraising Plan

In the long term the key identified source of funding for capital works is the Littlecombe S106 agreement. In the planning approval for the developers of the site (St Modwen) by Stroud District Council there is the provision of £385,000 for community facilities. Local councillors have agreed that Stroud District Council should provide the Chantry Centre with £200,000 from this amount. The payment will be made when 50% of the houses on the Littlecombe site have been built; currently estimated to be no earlier than 2016. As a result this has not been allowed for in the Business Plan.

The Charity, working with other partners, will therefore be actively seeking support from a range of charitable and other sources to **raise at least £20k per annum in the period 2014/5** in order to indirectly support the Repair and Maintenance programme.



5. 2014 ACTIONS

	9999Responsible
MARKETING PLAN	
Develop cross selling – publicity in the Chantry Centre, cross advertising, use of promotional ppt prior to events	Adrian Judge
Seek funding to support social media development activities	
Progressive development of website	
Development of mailing list and newsletter	[World Jungle]
Explore links to Kingshill House, Sub Rooms, Prema	
World Cup related activities	
Practicalities of Roller Blading	Adrian Judge/ Ben Ward
Talent show/Battle of the Bands	
Signposting car parking	World Jungle
Development of Cinema offering at Chantry Centre	Chris Lambert
Large Poster for outside Chantry Centre (icons?)	Andrew Telford
A5/A6 Postcard	
REFURBISHMENT PLAN	
Toilet refurbishment	Adrian Judge
Additional Storage Space	Mark Prowse
Additional Office Space	
Secret Garden Cafe	Mark Prowse +
Electrical	
Cosmetics	
Garden refurbishment	Explorers/Transition Dursley
FINANCIAL PLAN	
Finalise accounts/year end	Burton Sweet/Chris Lambert/Adrian Judge
Energy Efficiency	Ben Ward
Seek Sponsorship opportunities	Adrian Judge
£20k of fundraising	Adrian Judge



ANNEX A - REVIEW OF THE WIDER STRATEGIC OPTIONS

In the event that it is no longer possible to continue 'as is' – ie the annual trading position deteriorates from break-even, the possible Strategic options for the Charity are set out below and then explored in further detail.

- Securing commercial tenants for the Property
- Mortgaging the Property
- Sale and Leaseback
- Sale of land at rear
- Sale of the Property and development of new premises either onsite or offsite
- Co-ordination with other local charities/groups – eg Dursley Community Centre, Kingshill House

In considering these options it should be noted that the Charity's Memorandum and Articles are reasonably widely drawn (Section 4.1) permitting the Charity to:

- (c) *to sell, lease or otherwise dispose of all or any part of the property belonging to the charity. In exercising this power, the charity must comply as appropriate with sections 36 and 37 of the Charities Act 1993, as amended by the Charities Act 2006.*
- (d) *to borrow money and to charge the whole or any part of the property belonging to the charity as security for repayment of the money borrowed. The charity must comply as appropriate with sections 38 and 39 of the Charities Act 1993, as amended by the Charities Act 2006.*
- (e) *to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;*
- (f) *to establish or support any charitable trusts, associations or institutions formed for any charitable purposes included in the Objects.*
- (g) *to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity formed for any of the Objects*

It should be noted that Charity Act 2011 replaces the references above.

6.1 Commercial Tenants

Clearly, the simplest option would be for a commercial tenant to be found for the area currently under licence to the Trading Co who were willing to pay sufficient rental income/service charges for the Charity to break-even. The obvious option would be for licenced premises, cafe or sports club.

However this option has been discounted due to:

- The comments in the Bennett Jones valuation report relating the poor suitability of the Property for commercial rental
- The maintenance required to the premises prior to it being available for commercial rent;
- The high existing availability within Dursley of premises for commercial rent;



- The decline in the licenced trade nationally;

6.2 Mortgaging the Property

This is covered under Section 124 of Charities Act 2011:

- (1) *Subject to subsection (2), no mortgage of land held by or in trust for a charity is to be granted without an order of—*
 - (a) *the court, or*
 - (b) *the Commission.*
- (2) *Subsection (1) does not apply to a mortgage of any such land if the charity trustees have, before executing the mortgage, obtained and considered proper advice, given to them in writing, on the relevant matters or matter mentioned in subsection (3) or (4) (as the case may be).*
- (3) *In the case of a mortgage to secure the repayment of a proposed loan or grant, the relevant matters are—*
 - (a) *whether the loan or grant is necessary in order for the charity trustees to be able to pursue the particular course of action in connection with which they are seeking the loan or grant,*
 - (b) *whether the terms of the loan or grant are reasonable having regard to the status of the charity as the prospective recipient of the loan or grant, and*
 - (c) *the ability of the charity to repay on those terms the sum proposed to be paid by way of loan or grant.*
- (4) *In the case of a mortgage to secure the discharge of any other proposed obligation, the relevant matter is whether it is reasonable for the charity trustees to undertake to discharge the obligation, having regard to the charity's purposes*

There is therefore the potential for the Trustees to look to take out a mortgage on the Property to secure a loan – however professional advice would be required.

For the avoidance of doubt the Tolvik loan is not formally mortgaged to the property.

A more critical requirement would be that there needs to be evidence that any loan can be repaid. Given the current trading position for the Charity **the only obvious route would be if the Section 106 money was certain** – i.e. it is in essence a bridging arrangement.

This is not a recommended course of action

4.3 Sale and Lease Back

This route would convert the Charity's asset into cash which could be used to help fulfil the Charity's objects – albeit for a finite period, but which could then potentially be supplemented by funds from the S106.

Any sale of Charity property is subject to Section 117-120 of Charities Act 2011.

In practice this means that professional advice from a Chartered Surveyor is required and that any sales process needs to be subject to 'market testing' in order to get the best price.



Legal advice would also need to be sought as to whether this was consistent with the Charity's objects.

4.4 Sale of Land at Rear

Sale of the land would generate limited cash, however this may be sufficient to allow the Charity to continue to trade whilst exploring a number of other, longer term options, including S106 money can be considered.

As above, any sale of Charity property is subject to Section 117-120 of Charities Act 2011.

There is a reasonable area of land to the rear of the main building but the link to the Charity's objects is limited. The logical use of this would be disposal of the land for development of residential dwellings.

The key issues which would need to be addressed are (a) identifying suitable access routes and (b) securing planning consent within a conservation area.

There is also the question as to whether any such land should be put up for sale 'as is' or with the benefit of planning consent. It is not however obvious that investing Charity capital in securing planning consent would be consistent with its objects – advice would need to be sought on this issue – or an option considered in which the planning cost is undertaken by a third party 'at risk'

4.5 Sale of Property and Development of New Premises

This option assumes that the existing premises are not 'fit for purpose' – specifically that they are too big/not suitable for proposed future uses and/or in too poor a condition and with corresponding maintenance costs.

It also assumes that the land for any replacement facility could be purchased and the facility constructed at a cost of less than either

- The value of the existing facility £400k – which assumes that there would be another party interested in purchasing the buildings (which is unlikely) or
- The value of the existing land less the demolition cost of the existing building

Plus whatever sums are received under the Section 106.

It is questionable whether would be sufficient sums available for such a new facility to (a) be conveniently located and (b) would be sufficiently different in size from facilities such as Cam Memorial Hall or Stinchcombe Village Hall.

An initial review would suggest that such an option would be complex to deliver (see the challenges faced by the Youth Club) and would not necessarily improve the ability of the Charity to deliver on its objects.

4.6 Co-ordination with other local charities/groups

Ensuring the economic viability of a community facility such as the Chantry Centre is not unique to the Charity – and other local organisations are known to be struggling financially and/or dependent on local council support.

Of specific relevance are the Dursley Community Centre at Rednock and Kingshill House. This needs to be investigated further.