

Burntisland Chambers Complex Feasibility Study

Appendices
Burntisland Community Council

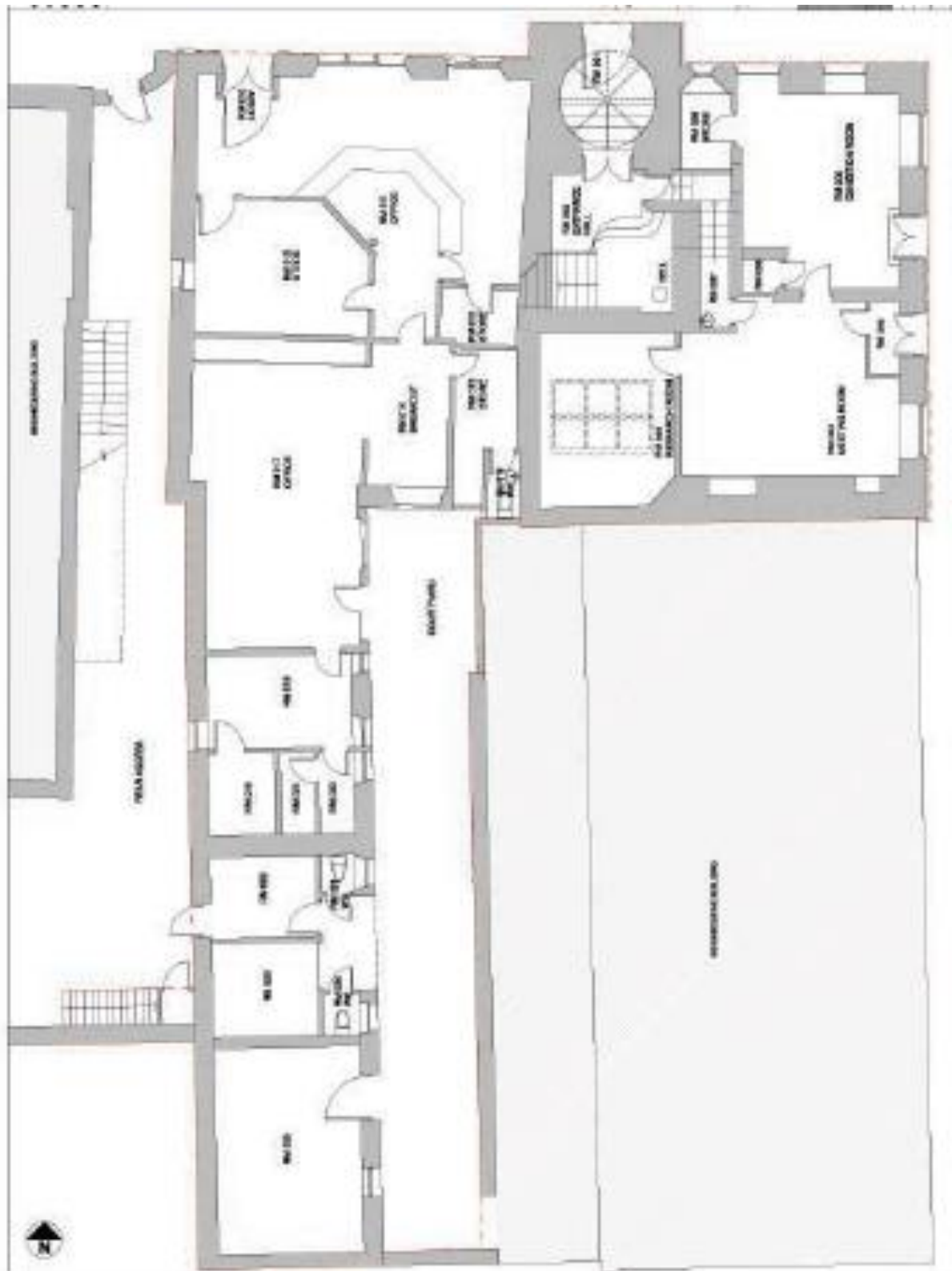
September 2018



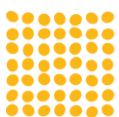
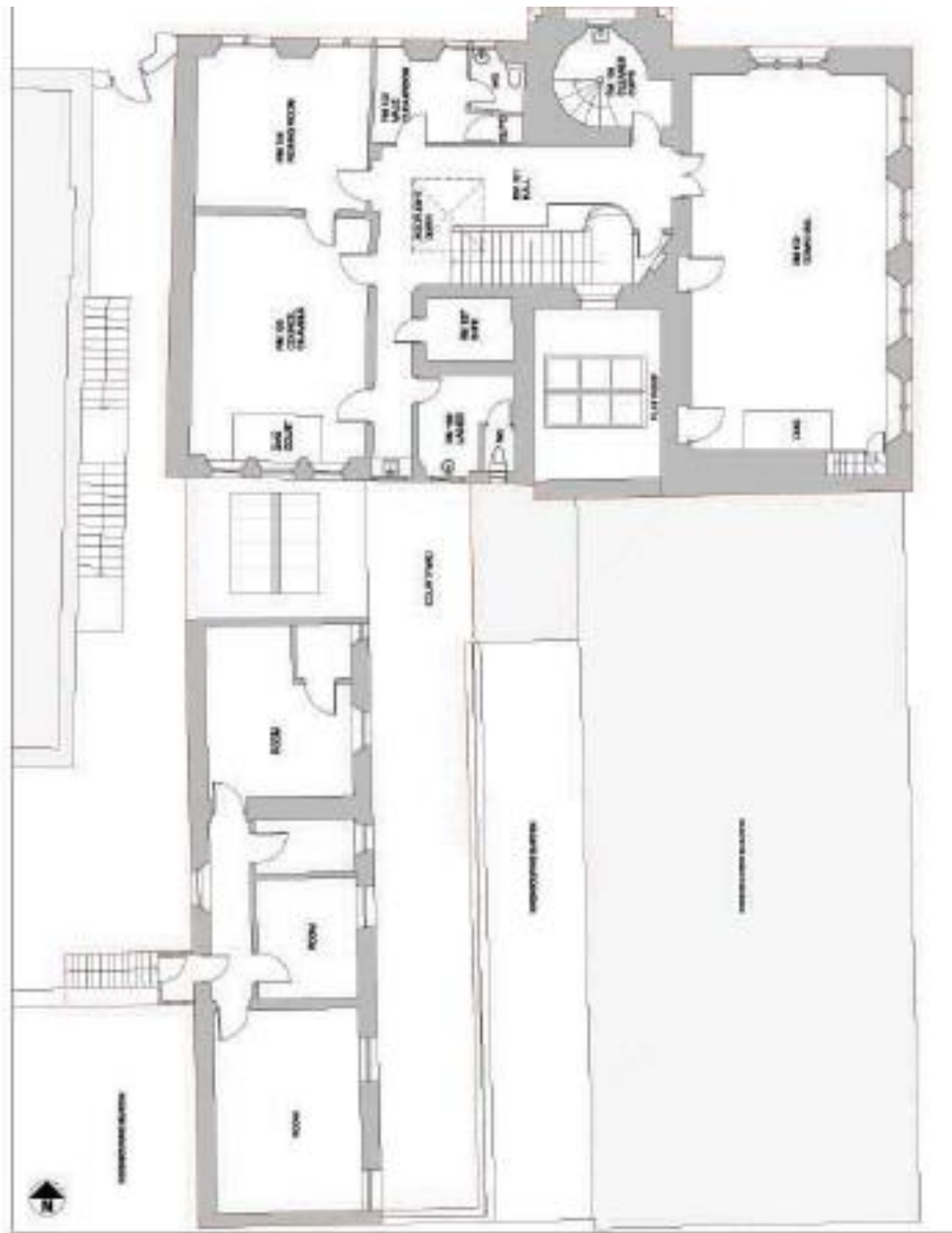
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Ground Floor Plan



First Floor Plan



2. Demographics



Population

Burntisland has a population of 6,695 people. There is a higher population of people aged 0-15 than the Scottish average (19% v 16.9%). Similarly there is a higher population of people aged 65+ than the Scottish average (20.2% v 18.5%).

The majority of residents are White British (87.4%) whereas only 1.1% are of non white heritage (Scottish average = 4%). There is a higher proportion of households with multiple ethnicities compared to the Scottish average (12.9% v 10.6%).

45% of the population are Christians (Scottish average = 53.8%), those with no religion number significantly higher than the Scottish average (47.1% v 36.7%).



Transport

Burntisland railway station is on the Fife Circle Line and provides direct links with Kirkcaldy to the north and Edinburgh to the south. However only the southbound platform provides step-free access. There is a frequent service to Edinburgh, every half hour at peak times, the journey takes around 30 minutes.



The A921 coast road runs through the town and connects to the M90 motorway at Inverkeithing in the west and the A92 at Kirkcaldy in the east. The A909 travels inland towards the A92 at Cowdenbeath and the M90 at Kelty.

Burntisland is served by Stagecoach bus service 7, which runs between Dunfermline in the west and Leven (via Kirkcaldy) in the east. The circular B1 service covers most areas of the town.

27.6% of households have no cars (Scotland = 30.5%).



Economy & Employment

The largest employment sector is health & social work followed by retail and thirdly, manufacturing.

41% of people are employed in managerial or professional occupations (Scotland = 37.8%). 14% are employed in skilled trades and 9.3% in elementary occupations.

68.5% of working age people are economically active (Scotland = 69%). Most people are employed full-time (39% v 39.6% in Scotland) and 7.3% are self-employed (Scotland = 7.5%).

The largest industry sector is construction (20.5% of all people in employment) followed by manufacturing.

90.4% of employees are employed in the private sector.

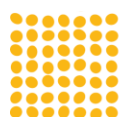


Housing

22.2% of dwellings are detached and 20.4% are semi-detached. 17.2% are terraced. Flats make up 40.3% of dwellings (Scotland = 37.7%).

68.1% of dwellings are owner occupied (Scotland = 62%), 22.7% are socially rented (Scotland average = 24.3%) and 7% are privately rented (Scotland = 11.1%).

The majority of dwellings (57.1%) belong to council tax band A and B indicating a low property value. 23.2% belong to council tax bands E and F.





Households

23.7% of households are pensioner.
34.3% of households are married (Scotland = 32%) whereas 23.2% are lone parent families with dependent children (Scotland = 27.6%).
10.8% are cohabiting households (Scotland = 9.2%).
There are no student households recorded in Burntisland (Scotland = 0.9%).



Health

18.9% of people have a limiting long-term illness (Scotland = 19.6%). The working age population with a limiting long-term illness is 14.1% (Scotland = 15%).

Residents of Burntisland have a slightly higher life expectancy than the Scottish average which is 77.1 for men and 81.1 for women. Burntisland East Men = 80.1, West = 78; Burntisland East Women = 83.9, West = 82.6.

Hospitalisations in Burntisland for cancer are higher than the Scottish average, other causes of hospitalisation (ie disease of the digestive system) is significantly lower, respiratory disease is also higher than the Scottish average.



Birth & Early Years

12.8% of all first time mothers are under 19 (Scotland = 8.4%), whilst first time mothers aged over 35 are also significantly higher than the Scottish average (17.9% V 13.8%). Babies breastfed at the 6 to 8 week review figure is significantly lower than the Scottish average (27.8% V 37%).



Environment and Infrastructure

0.9% of connections have low broadband speeds (Scotland = 2.5%). The average broadband download speed is 21.11 Mbit/s, almost half of Scotland's average (41.80 Mbit/s).
Total green space is 1.81% (Scotland = 0.58%), public parks and gardens percentage is slightly above the Scottish average (0.19% V 0.17%)



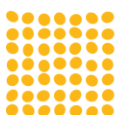
Education

25.3% of people have no qualifications (Scotland = 26.8%), with 25.5% of people holding higher education qualifications (Scotland = 26.1%).
25.4% of school leavers go into further education (Scotland = 27.8 %) whereas 32.8% pursue higher education (Scotland = 36.5%).



Vulnerable Groups

16.3% of children in Burntisland live in poverty (Scottish average = 16.5%) and 13.8% are in 'out of work' households (Scottish average = 15.2%).
3.0% of people claim Disability Living Allowance (Scottish average = 4%).
4.4% of working age people claim unemployment benefits (Scottish average = 2.6%). However, youth unemployment claimant is significantly higher at 6.9% than the Scottish average of 3.7%.
3.6% receive mental health related benefits (Scotland = 3.8%).
9% of people provide unpaid care (Scotland = 9.3%).



3. Policy Context

National Policy

Policy	Content	How the Burntisland Chambers project can contribute
Scottish Executive 2007, All our Futures – Planning for a Scotland with an ageing population.	We invite public, private, voluntary, community and older people's organisations to develop intergenerational work in their areas. We will work to take forward the community-led approach to intergenerational volunteering pioneered through the work of the Peebles Youth Trust. We will do this by supporting projects elsewhere in Scotland that will test in other settings the learning and methodologies arising from the Peebles project.	Through work with various groups including the Heritage Society and the schools, BCC (Burntisland Community Council) will encourage intergenerational learning and activity.
Scottish Government - A Fairer Scotland for Disabled People - Our Delivery Plan to 2021 for the United Nations Convention on the Rights of Persons with Disabilities	Disabled people can participate as active citizens in all aspects of daily and public life. Support for independent living for disabled people of all ages, with increased say over how that support will be managed and provided. Delivery of high quality health, social care and third sector services, with services working together to remove the barriers faced by disabled people of all ages. Increased opportunities for disabled people to be fully involved in the design and delivery of services.	The Burgh Chambers will be designed as a fully accessible building for all, particularly those affected by disabilities, ASN and dementia. BCC will communicate with everyone inviting people to be involved and help to design activities with access in mind.
Scottish Government - Achieving sustainable futures	<p>"Our vision is a Scotland where our most disadvantaged communities are supported and where all places are sustainable and promote well-being."</p> <p>Among other points, the future sustainability actions should:</p> <ul style="list-style-type: none"> Put communities first, effectively involving local residents in the regeneration process and empowering communities Be holistic, connecting the physical, social and economic dimensions Adopt a long-term vision for a places and focus on the safety and quality of places Take account of the specific function of neighbourhoods and integrates regeneration initiatives into wider economic strategies Make tailored interventions to link economic opportunity and need to address 	BCC has consulted heavily with the community through the Community Action Plan and this consultation and will continue to do so.



	unemployment and deliver sustainable quality employment	
Scottish Government - Community Empowerment Action Plan	<p>The Scottish Government has set out clear expectations of the outcomes community capacity building should deliver. Community capacity building focuses on achieving:</p> <ul style="list-style-type: none"> Confident, skilled, active and influential communities. Effective and inclusive community organisations. Effective relationships between community organisations and other organisations and services. 	The research conducted both for the Community Action Plan and this feasibility study has been community led and spaces will be co-designed and co-developed with the community.
Scottish Government – National Youth Work Strategy 2014 – 2019	The key purpose of community learning and development is empowering people, individually and collectively, to make positive changes in their lives and in their communities, through learning. By working in partnership with young people we know we are creating a learning process which contributes to improving their life chances, through learning, personal development and active citizenship. Ultimately, we are building stronger, more resilient and inclusive communities.	
Scottish Government's National Performance Framework	<p>There are four key outcomes relevant to BBC:</p> <ul style="list-style-type: none"> We live longer, healthier lives We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others We value and enjoy our built and natural environment and protect it and enhance it for future generations We reduce the local and global environmental impact of our consumption and production 	By making use of the BBC building we will not only celebrate local heritage but also protect it for future generations. Involving the community in the design of this space allows people to be responsible for what is delivered in Burntisland.
The Scottish Government – A Connected Scotland, Tackling social isolation and loneliness and building stronger social connections	<p>The strategic aims of the SI are:</p> <ul style="list-style-type: none"> to support active inclusion through activity including the promotion of equal opportunities and active participation; to increase the financial capacity of the most disadvantaged individuals and households; to increase the number of disadvantaged participants from workless, lone parent and low income households through positive employment or training outcomes; 	The building and activities offered from it that are for community benefit, will be accessible by all.



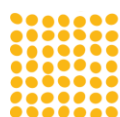
	<ul style="list-style-type: none"> • to enable disadvantaged communities to develop long-term solutions to increase active inclusion and reduce poverty; • to promote social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy to increase levels of access to employment; • to increase the sustainability and capacity of Scotland's social economy to deliver support to the most disadvantaged areas and groups; • to support and encourage social innovation ideas and solutions. 	
The Scottish Government - Scottish Rural Development Programme – 2014 – 2020	<p>The LEADER approach can help build stronger rural communities, who will contribute to the delivery of the Scottish Government Economic Strategy priorities. In particular, rural communities have a key role to play in three of the strategic priorities: 1) transition to a low carbon economy; 2) creating a fairer society (equality); and 3) creating a skilled, educated and healthy workforce (learning, skills and well-being). Fife LAG's priorities are:</p> <ul style="list-style-type: none"> • Access – improving access to high quality services, jobs, training opportunities and local amenities • Connectivity – Improving collaboration between businesses and communities, and unlocking tourism potential# • Inclusion – Reducing inequalities for residents and empowering communities to deliver more services locally 	Giving access to the Burgh Chambers for everyone; including people in the co-design and co-delivery of the space, working with local businesses and making the Chambers into a visitor destination working alongside others in Burntisland
The Scottish Government – Social Inclusion and Poverty Reduction	<p>Priority 1 – Empower Communities to Lead</p> <ul style="list-style-type: none"> • Community empowerment and public service reform • Building cohesive communities • Investing resources <p>Priority 2 – Play Our Part</p> <ul style="list-style-type: none"> • Reduce stigma • Encourage kindness • Tackle poverty • Addressing inequality • Promote and improve health and wellbeing • Give our young people the best start in life • Promote the third sector and volunteering • Working with business • Create high quality places 	The community will be heavily involved in the research and the running of the Chambers and work together to build this asset into a community focal point for Burntisland.



	<ul style="list-style-type: none"> • Promote Scotland's culture and heritage • Improve infrastructure 	
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Local Policy

Strategy	Priorities	Key Actions	How BCC can contribute
Plan for Fife 2017 to 2027	Opportunities for All – lower levels of poverty in all national targets; educational attainment continues to improve for all ages; Focus: improve access to learning, work and volunteering opportunities	<i>Actions relevant to BCC:</i>	
	Thriving Places – fife's town centres stand out as attractive places to live, work and visit; each community has access to high quality outdoor, cultural and leisure opportunities; Focus: invest in key town centres with a town centre first principle (use town centre funds to attract investment) Focus: invest in sport, leisure and learning activities and integrate community services and provision	<i>Actions relevant to BCC:</i> promote digital towns (free town centre WIFI); explore potential of producing more business improvement districts; bring derelict land and buildings back into use (whilst the Chambers are not derelict they are under-used); improve access to local facilities and assets;	Offering a business hub, as well as a tourism destination and a venue for events will bring the Chambers back to life into a buzzing and modern venue. Digital connectivity will be a key priority throughout the building and the space will welcome all within the community.
	Inclusive Growth and Jobs – economic activity and employment in Fife is improving faster than the rest of Scotland; fife has year on year increases in tourism spend and visitor numbers; Focus: invest in apprenticeships, skills	<i>Actions relevant to BCC:</i> invest in modern business clusters as a focus for business activity and investment; develop a mid-Fife technology led business cluster; build connections between communities, colleges, universities and businesses to improve innovation; deliver a	Building the Chambers into a business hub for new start-ups or small businesses providing a place to meet or to work in a professional office environment for those who are able to work from home. Potential to specialise in technology firms or



	<p>and access together with business innovation; invest in connectivity, particularly transport and digital and workforce mobility</p> <p>Focus: make more of Fife's natural, cultural and historic assets to improve year round visitor opportunity</p>	<p>network of enterprise and incubation centres throughout Fife; develop a year round tourism and events programme; develop area tourism asset registers and plans to accelerate the growth of key communities in mid-Fife; roll out a virtual technology interpretation programme</p>	<p>start-ups at a future date.</p> <p>The Chambers will also offer heritage space to grow into a tourism destination making best use of new technology and interactive learning tools for children and adults to learn about our local heritage.</p>
	<p>Community Led Services – public services are more joined up and acting “one step sooner”; Fife's individuals and communities are more involved in local decision making and in helping to plan and deliver services</p> <p>Focus: improve community involvement in community planning and land use planning;</p> <p>Focus: invest in community capacity to get involved and develop confidence;</p>	<p><i>Actions relevant to BCC:</i> support community asset transfer; strengthen the capacity of community groups to get involved; community planning partners will review their current approaches to encouraging and supporting volunteering;</p>	<p>The community has been involved in the research and the asset transfer process. Relying on volunteers this project will make use of skills of local people and links to Community Planning partners</p>
Local Development Plan Fife – September 2017	<p>Policy 6: Town Centres First</p> <p>Outcome: thriving town centres in Fife that are a hub of activity in the local community and act as a focus for commercial, leisure and cultural activities.</p> <p>Policy 14: Built and Historic Environment</p> <p>Outcome: better quality places across Fife from new, good quality development and in which environmental assets are maintained,</p>	<p>Town centres will be the first choice for uses likely to attract a large number of people including office, retail, leisure, recreational, cultural and community services. Homes and businesses are encouraged to add to town centres to add to the mix of uses and activities throughout the day and evening.</p> <p>6 qualities of successful places: distinctive;</p>	<p>Adding value to the town centre of Burntisland, the Burgh Chambers will once again become an important building attracting individuals, businesses and tourists in to use a range of flexible spaces.</p>



	and Fife's built and cultural heritage contributes to the environment enjoyed by residents and visitors.	welcoming; adaptable; resource efficient; safe and pleasant; easy to move around and beyond	
Fife Tourism Strategy 2014 to 2024	<p>Outcome 1: improved visitor infrastructure</p> <p>Outcome 3: increase visitor spend</p>	Activities: strengthen Local Tourist Associations, support local engagement so more destinations can join; indoor and outdoor digital tourist information kiosks; work with Fife's Cultural Strategy	Working together with other destinations in and around Burntisland we will signpost visitors to other venues as well as develop joint heritage learning programmes to bring more people into Burntisland. We will make use of digital technology in our heritage learning programmes where possible as well as signposting to other local services.
Fife's Cultural Strategy 2017	<p>3 Priorities:</p> <p>Engage with Fife's Communities</p> <p>Enhancing Lives</p> <p>Strengthening and Developing Fife's Creative Economy</p> <p>The aim of the Strategy is that culture in Fife is renowned, valued, diverse and embedded in its people, communities and landscape.</p>	<p><i>Actions relevant to BCC:</i> increase accessibility to local culture activity and creative learning;</p> <p>Develop collaborative opportunities which support individuals and families to improve their own health & wellbeing; provide creative & cultural opportunities that encourage communities to strengthen their connections</p> <p>Develop initiatives which nurture creativity, innovation & enterprise; develop and raise the profile of cultural tourism in Fife and monitor its contribution to Fife's economic growth</p>	



4. Case Studies

Dunoon Burgh Hall

195 Argyll St, Dunoon PA23 7DD

Website: www.dunoonburghhalls.co.uk

Email: info@dunoonburghhall.org.uk

Telephone: 01369 701 776

Operating area	<ul style="list-style-type: none"> Dunoon is the main town on the Cowal peninsula in the south of Argyll and Bute. The town is home to a small population of approximately 13,200 people, with a high proportion of people aged 65 and over. Dunoon has resurged as a tourist destination recently, attracting many visitors to the town. Dunoon Burgh Hall is a 19th Century building which occupies a key position on the town's main street. After 100 years of use the main hall was abandoned in the 1980s and the constant deterioration of the building led to a threat of demolition in the late 1990s. The B listed building was acquired by the John McAslan Family Trust in 2008. The Trust worked in partnership with the local community to develop plans for its re-development and formally transferred ownership to the newly established Dunoon Burgh Halls Trust in 2012. The building closed in 2014 for a programme of refurbishment and reopened in June 2017 as an important arts venue and creative hub. They run a programme of activities and events including workshops, exhibitions and performances. The venue is also available for hire for conferences, weddings, meetings and other gatherings.
Legal status	Private Limited Company by guarantee without share capital use of 'Limited' exemption
Aims /Outcomes	The trust's objective is to advance the Hall as a community and cultural resource. They believe that the creation of an improved cultural facility, giving broader access to the arts and film for the local community, will re-invigorate the town's centre and benefit the residents of Dunoon.
Activities/services	<p>Alongside the main hall and gallery, the venue includes a workshop space, garden and a cafe.</p> <ul style="list-style-type: none"> Café: The Trust operate this themselves rather than lease and it broke even in the first year. The Trust felt it was important to retain control of this to ensure it gave the right impression and was fully integrated into the project and reflected its ethos and values. However, at times the café has been over whelmed by the demands placed on it (e.g. having to cater for meetings as well as café itself) and the staff have been stretched. It currently runs on one part time supervisor supported by catering assistants, but they are looking at bringing in a full time manager.



	<ul style="list-style-type: none"> Arts/Events Venue: The organisation has achieved overall target for year 1 this though the balance has been slightly different with more one off meetings/events than regular bookings by local groups who have tended to stay with the venues they are already using, The Trust have not actively sought out these bookings as they do not want to be seen to be 'poaching' business from other venues and it is not the main market for the halls. Conferences: The high quality projection facilities in the main hall have helped attract bookings for meetings and conferences and they have enjoyed a good level of use from NHS and council for example. The re-opening of the Queens Halls may however bring greater competition. Weddings: The Halls offer a venue and a wedding planning service. However, experience to date has been that this is very resource intensive and the wedding planning service in particular has not really worked as there is not a dedicated member of staff for this. If this is to be developed further, then it is likely to need some additional resource.
Staffing	<ul style="list-style-type: none"> At present there is a Project Director, Arts Programme Development Officer, Community Engagement Officer, Administrator as well as the café staff and 3 part time care takers/cleaners. The Trust is about to undertake a review of its operations and this will include the staffing structure. They felt very stretched in the first year and this has affected their ability to develop and take risks. Key issues to address will be whether to bring in a full time Café Manager and also review care taking arrangements to try and manage the sharing of weekend and evening shifts better.
Charging Structure / Venue Hire	<ul style="list-style-type: none"> Main Hall Conference (With full-time technical support): Private & Commercial £60/hr, Community & Charity £55/hr Function/Event/Class: Private & Commercial From £25/hr, Community & Charity From 17/hr Workshop Room: Private & Commercial £12/hr, Community & Charity £10/hr Gallery: Private & Commercial £20/hr, Community & Charity £15/hr Weddings (Postcode discount available): Bespoke Package From £1,500
Income and funding sources	<ul style="list-style-type: none"> The project is still at a relatively early stage in terms of its operations. They have a 5 year tapered revenue grant from the Big Lottery Fund to enable them to transition from grant to trading. Income levels for year 1 have been in line with the business plan. Other funding sources: The Architectural Heritage Fund, Argyll and The Islands LEADER, Creative Scotland, Dunoon Burgh Hall Trust, Highlands and Islands Enterprise, Historic Environment Scotland, Heritage Lottery Fund, The Monument Trust and The Robertson Trust.
Community Engagement	<ul style="list-style-type: none"> Events have been run at the halls since the community acquired this in 2008 right up until the building closed for renovation in November 2014. The Trust then continued to develop and run a programme of events throughout the construction phase using a pop up shop in the town. This included talks, performances and exhibitions. The Trust



	<p>also continued to develop its partnerships with local organisations within this time – delivering activities with Argyll Youth Arts Hub, as well as other galleries, theatres and music groups.</p> <ul style="list-style-type: none"> • Maintaining this activity has been critical in enabling the Trust to develop and maintain their engagement with the local community while the hall was closed – building up the volunteer base, developing partnerships and keeping people informed of progress.
Maryhill Burgh Halls 24 Gairbraid Ave, Glasgow G20 8YE Website: www.maryhillburghhalls.org.uk Email: info@mbht.org.uk Telephone: 01506 282412	
Operating area	<ul style="list-style-type: none"> • Maryhill Burgh Halls is a B listed former municipal building located in Maryhill in the north side of Glasgow. The building was in a derelict state when taken over by Maryhill Burgh Halls Trust. Work to refurbish and extend it began in 2009 and the building was officially re-opened in 2012. • Maryhill Burgh Halls Trust owns and manages the Burgh Halls. It is a community based initiative that is a partnership between local residents, Cube and Maryhill Housing Associations, Glasgow City Council, Elected Members and officers of local organisations. • The Board of the Trust consists of 12 members currently, bringing a range a skills and expertise to the project.
Legal status	Registered Scottish Charity and Company limited by guarantee
Aims /Outcomes	<ul style="list-style-type: none"> • To provide contemporary multi-purpose accommodation, whilst restoring the former Burgh Hall to function as it was originally intended, as a focal point and social hub for the community of Maryhill.
Activities/services	<ul style="list-style-type: none"> • Heritage Centre: Maryhill Museum; Interactive Heritage App; Building Tours and Guided Walks; Walking Trails; Maryhill Heritage Choir; Historic Stained Glass (New selling postcards of the Hall's stained glass windows) • Learning Opportunities: Provide workshops and walking tours for school groups to discover and explore Maryhill's history. • Café: The café is leased. The original operator covered all catering functions for the halls (café, bar and catering for events). However, the Trust had a number of concerns with the service provided and in particular the impact of this on their ability to cater for events. This arrangement came to an end and the Trust did consider taking the café in house. However due to costs/resources required to run the cafe they chose to continue to operate on a lease basis and this is currently operated by an independent social enterprise. • Business Lets: The location of the halls has meant they have been able to attract business from a number of national and creative companies - space



	<p>has for example been used by production companies rehearsing TV shows and high profile bands rehearsing for tours. Securing some key anchor tenants has been important in providing long term regular income.</p> <ul style="list-style-type: none"> • Weddings: At first glance this generates a good level of income. However experience has shown that this is time intensive and can divert significant staff time from other tasks. • Conference space: This has been identified as an area to develop as it is judged as less resource intensive than the wedding market and offers the potential for repeat business.
Staffing	<ul style="list-style-type: none"> • Getting the right staffing structure to develop business and run the operational aspects of the hall has been key and has been something that the organisation has had to adapt and refine over time. • The original plan had a part time Hall Manager supported by a part time Volunteer Co-ordinator and a team of volunteers. However, this did not provide sufficient resource at the early stages when the Trust was looking to establish and grow the income generating activities. Additional grant funding was sought to increase the Hall Manager from part time to full time which enabled greater focus on business development. • The current structure includes a Retail & Development Officer and Heritage Development/Community Engagement post both of whom have started in May of this year and the Manager has responsibility for volunteer management. The Manager has been looking at ways of bringing staff, board and volunteers together and felt there was now a greater sense of a cohesive team working together and where people understood each other's roles. • The trust has found that whilst hiring clerical staff it is important to find someone who has a range of skills. This experience ensures tasks can be continued when other members of staff are away and thus, long delays are prevented.
Charging Structure	<ul style="list-style-type: none"> • Heritage workshops for school groups: First three sessions are offered for free and then charged at a rate of £30 per group. This pricing strategy has helped bring groups back time after time. • Café: Low level rental income. • Postcards of the Hall's stained glass windows: £1 each (sold at Halls and on website).
Funding sources	<p>Main sources of funding for the renovation: Scottish Government City Growth Fund Phases 1 and 2 - £1.26m; The Heritage Lottery Fund - £1.16m; Big Lottery (Growing Community Assets) - £980,910; The European Regional Development Fund (ERDF) - £1.327m; Glasgow City Council Better Glasgow Fund - £1.02m; Glasgow City Council Vacant and Derelict Land Fund - £675,000; Scottish Government Town Centre Regeneration Fund - £1.8m; Historic Scotland - £500,000; Scottish Government Wider Role Fund - £764,000; Robertson Trust - £28,000</p>
Financial viability	<p>This is the first year that the halls achieved a break even position. Their current mix of trading v grant income is 80:20 and they are continuing to focus on increasing their trading income in advance of grant funding coming to an end in March 2019.</p>



Community Engagement	<ul style="list-style-type: none"> • Cohesion between income generating activities and community activities is extremely important. After opening, the trust focused too heavily on the business side of things and unfortunately neglected the opportunities (social and economic) that community/social enterprise involvement could bring. At the start, three independent businesses operated the café and this led to a failure in attracting local people to the halls. Despite a massive renovation, the café often sat empty. The trust has recently brought in a social enterprise Spoon Café, whose strong community networks has encouraged demand and visits to the halls. • The lack of community activities also left venue space without regular customers. To improve this imbalance, the trust focused more time on learning activities, including opportunities for schools and heritage tours for all groups. These activities helped the trust to form stronger networks and position the building as a vibrant hub within Maryhill.
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Cupar Burgh Chambers

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Website: www.fifehistoricbuildings.org.uk/fife_holiday_lets/cupar-burgh-chambers

Email: info@fifehistoricbuildings.org.uk, lorraine@fifehistoricbuildings.org.uk

Telephone: 01592 890060

Operating area	<ul style="list-style-type: none"> • Cupar is a town, former royal burgh and parish in Fife, Scotland. It was once the historic <u>county town</u> of Fife, before the council moved to <u>Glenrothes</u>. • From 2010 to 2018, Fife Historic Buildings Trust were the driving force behind the restoration of the Cupar Burgh Chambers, and together with Cupar-based Arc Architects helped to bring the formerly disused building back into the public domain and remove it from the Buildings at Risk register. • The project was part of the wider Cupar CARS (Conservation Area Regeneration Scheme) and comprised major fabric repairs to the building including replacement stone, slate roofs, lead covered bell tower and paint removal from façade. • Internally the building was converted from previous use of council offices and chamber room to a 2 bedroom holiday let. The rooms are furnished in keeping with the history of the building, with the trust working with nationally respected Scottish furniture historian David Jones who passed on a lot of interesting facts and knowledge. The total work of renovating the building cost £500,000. • Cupar Burgh Chambers, is owned by Fife Council but in July 2018 Fife Historic Buildings Trust took over the management of the building.
Legal status	Private Limited Company by guarantee without share capital use of 'Limited' exemption
Aims /Outcomes	<ul style="list-style-type: none"> • The object for which the Trust is established is to promote and encourage, either on its own or in conjunction with others, the maintenance and improvement of the amenity of the geographical area of Central Fife, and the protection and preservation of its landscape and architectural and historical heritage.



	<ul style="list-style-type: none"> • To make the area a better place for local people and visitors alike, improving social and economic life of the town centre. • Preserve a Grade B listed building and an important local landmark. • To put the town on the map as a tourist destination, central to regeneration and economic growth. • Retain as much of the building's historic character as possible. • Ensure that this previously vacant building has a sustainable use for years to come and provide an income stream for the future maintenance of the building.
Activities/services	<p>Holiday lets:</p> <ul style="list-style-type: none"> • The 7 person apartment includes two en-suite bedrooms on the top floor, with a large kitchen and living area on the first floor. • Minimum Stay: 3 nights • Parking: A private car parking space is available, located at the back of the property.
Staffing	FHBT team includes housekeepers and volunteers.
Charging Structure	<p>Prices:</p> <ul style="list-style-type: none"> • Per Night – from £95-£180 • Per Week – from £570-£1010 • Discounts: Stays 7 + nights will receive a discount
Income and funding sources	<p>Funders: Historic Environment Scotland and the Heritage Lottery Fund through the Cupar Conservation Area Regeneration Scheme (CARS) and Townscape Heritage Initiative (THI) programme.</p> <p>The building has only recently started trading (Summer 2018) so it is too early to determine levels of surplus or deficit.</p>

Linlithgow Burgh Halls

Website: www.linlithgowburghhalls.com

Telephone: 01506 282412

About: Linlithgow Burgh Halls is a Grade A listed building managed by West Lothian Council's Community Arts team.

Aims/Outcomes: To create an arts centre for the people of Linlithgow and the surrounding area, as well as saving a beautiful and much-loved old building.

Activities/services: The building now includes an art gallery, café, two function rooms and a roof terrace available for weddings and other events. There is also an education room and an audio visual facility for schools to use the halls as a resource. This learning focuses on the history behind the building, its links to the Palace and St Michael's Parish Church and its role for the Linlithgow community.



Funding: Funding: £5.2million restoration- made up of partnership funding of West Lothian Council, from the Heritage Lottery Fund, Historic Scotland and the Scottish Arts Council.

Charging Structure: Education Room: Max capacity 48. Rates: WLC Events/Community Groups Non Income Generating £11.90 p/h; Community Groups Income Generating £18.60 p/h; Commercial £36.20 p/h

Kinghorn Town Hall

Kinghorn Town Hall is owned by Fife Historic Buildings Trust and completed a large refurbishment in 2009. It now offers a 3 bedroomed flat as holiday accommodation on the first and second floors of the Halls. Accommodation is offered with rates ranging from £95 to £180 per night during peak times (such as Christmas and Summer). Repair and conversion work on the Hall cost over £800,000 and the project was a key part of the Kinghorn and Burntisland Townscape Heritage Initiative. Funding was secured through Heritage Lottery Fund, Historic Scotland and Fife Council.

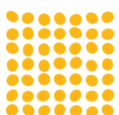
In the last financial year, occupancy peaked at 80% but averaged around 60%.



5. Stakeholder Engagement

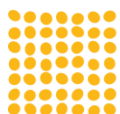
Through stakeholder meetings as well as individual conversations we spoke to representatives from the following organisations or groups:

- Burntisland Primary School
- 3 representatives from Burntisland Community Development Trust
- Fife Historic Buildings Trust
- Fife Council – Community Assets team; Estates team; Burntisland Community Manager, Local Development Officer for Castle Estate
- Burntisland Heritage Trust
- Burntisland Communications Museum
- Erskine UF Church
- 2 Fife Councillors
- Burntisland Sailing Club
- Air Training Corps, Burntisland
- Burgh Buzz
- Ex member of Common Good Trust

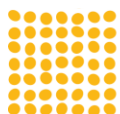


6. Funding Sources

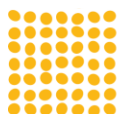
Fund	Priorities	Deadlines / Bid Size
Historic Environment Scotland - Historic Environment Repair Grants https://www.historicenvironment.scot/grants-and-funding/our-grants/building-repair-grants-scheme/#criteria-for-awarding-grants	<p>Owners of historic buildings or ancient monuments can apply for financial help to meet the cost of high quality repairs or conservation made by specialist craftspeople using traditional skills and materials. The aim of the Historic Environment Repair Grant is to conserve original features of buildings and ancient monuments of special architectural or historic interest. Owners must insure and maintain the building, or look after the ancient monument, and allow an agreed level of access to the public in return for financial help.</p>	<p>Thrice yearly the batch closing dates are 30 April, 31 August and 31 December.</p> <p>£10,000 - £500,000</p>
Heritage Lottery Fund - Heritage Grants / Small Grants/Resilient Heritage/Our Heritage http://www.hlf.org.uk/	<p>The Heritage Grants open programme has now reached its stage one deadline; a new strategic framework will be published in January 2019;</p> <p>HLF's "small" grant programme remains open – these supports bids of up to £250,000k.</p> <p>Resilient Heritage – up to £250k: this supports organisations who want to build their capacity or achieve strategic change to improve the management of heritage. Grants can fund activities to help organisations acquire new skills or knowledge, or new models of governance, leadership and business to put organisations in a better position for the future. Organisations in the early stages of planning their activities may also apply. Can help organisations strengthen and build the capacity of staff and volunteers to better manage heritage in the long term.</p> <p>Our Heritage £10k - £100k: projects can focus on anything from personal memories and cultural traditions to archaeological sites, places of worship, museum collections and rare wildlife. They fund projects that make a lasting difference for heritage, people and communities in the UK. The outcome they value most is that 'people will have learned about heritage'</p>	<p>HLF are restructuring, current grant programmes are expected to open in January for final decisions in March 2019.</p>



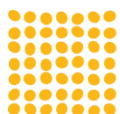
Fund	Priorities	Deadlines / Bid Size
	Young Roots - £10 - £50k: help young people aged 11 to 25 to explore their heritage, from green spaces, museums, and historic sites to language, local memories and youth culture.	
The Association for Industrial Archaeology - Restoration Grants https://industrial-archaeology.org/aia-awards/restoration-grants/	Grants are provided for the restoration of historically, technically, architecturally, and/or archaeologically important industrial buildings, structures, machinery, vehicles and vessels within the UK. Applications will usually relate to a single, tangible structure or artefact which must be covered by a Conservation Policy and/or Statement. The heritage asset must be sustainably managed, displayed and interpreted for the public and the public must have full access to the asset. Awards up to £20k	Annual closing date of 31 March
The Architectural Heritage Fund - Scottish Community Development Grant http://ahfund.org.uk/grant/	The fund will support regeneration projects in communities, bringing benefits to local areas through the reuse of historic buildings. Approved projects will have the potential to make a significant positive social impact, offer long-term sustainable uses for historic buildings, and will be clearly and strongly community led. Applications for grants of less than £5,000 can be made at any time and they aim to give you a decision within 6 weeks. Grant limit is £50,000k. They also support Project Viability Grants (PVG) which fund studies to look at potential uses for a building and at its current condition, and produce a Viability Report to a standard template. The primary purpose of the grant is to enable you to work out whether a proposed use for a building will be economically viable. The grant will contribute towards the cost of exploring different options for reuse, or testing a single option. Max award is £5k.	Decisions on grants requesting £5,000 and over are made at quarterly meetings which have deadlines of 16 February, 11 May, 24 August and 2 November 2018



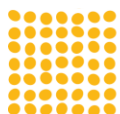
Fund	Priorities	Deadlines / Bid Size
<u>Arts and Business Scotland - Culture and Business Fund Scotland</u> http://www.aandbscotland.org.uk/	The fund promotes collaboration between Scottish businesses and arts and heritage organisations to deliver new arts and heritage projects. Arts or heritage organisations which attract an eligible business to sponsor an aspect of their work - the fund will match that sponsorship, pound for pound. In-kind and cash sponsorship are eligible, but must come from the sponsor's own funds, goods or services. It is funded by the Scottish Government via Creative Scotland and Historic Environment Scotland. Capital & Revenue funds	Grants of up to £40k Rolling programme
<u>Barcapel Foundation Limited</u> http://www.barcapelfoundation.org	The Foundation supports three priority areas of funding - health, specifically looking at mental health and complimentary medicine. Heritage specifically looking at the built environment and cultural heritage. Youth which focuses on all aspects of children and young people, however focused more on those from socially and financially disadvantaged backgrounds.	Twice yearly awards (usually May and November) Deadline 28 September 2018
<u>The Big Lottery Fund Community Assets</u> https://www.biglotteryfund.org.uk	Heavily oversubscribed capital fund which supports local communities to address specific inequalities or disadvantages through ownership of an asset. Applicants need to show clear evidence that they have consulted with their communities, considered various options to meet their needs and selected the best option to address this. Key themes are that activities support a people-led, strengths-based and connected approach.	Rolling Programme £10k - £1m
<u>Big Lottery Fund - Community Led</u> https://www.biglotteryfund.org.uk/funding/programmes/grants-for-community-led-activity	Medium sized grants for community led activity; becoming more heavily subscribed so advice is to ask for less money over 3 years for more chances of success	Rolling Programme From £10k to £100,000k per year for up to 3 years



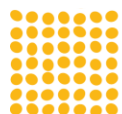
Fund	Priorities	Deadlines / Bid Size
	<p>This funding aims to support communities to improve the places in which they live and the wellbeing of those most in need. Strengthen connections between all members of a community and build local capacity to take action on the things that people care about.</p> <p>Criteria: Everyone in the community has the opportunity to influence and get involved in community-led activity People in the community are better connected and work together to improve their wellbeing. Capital funds up to £50k. Three to five years grant duration.</p>	
<p><u>Trusthouse Charitable Foundation</u> https://trusthousecharitablefoundation.org.uk</p>	<p>Trusthouse is interested in applications for capital projects at community centres in the most deprived urban areas and village halls in remote and economically deprived rural areas. They seek to support community centres and village halls which are at the heart of small, deprived communities. They expect that applicants will be providing a range of activities for all ages and abilities which help to promote community cohesion and address local problems of isolation, poverty, lack of local facilities, transport and other issues of relevance to your area.</p> <p>Single year grants between £7,500 and £20,000 for core costs, salaries, running and project costs.</p> <p>Revenue - up to £20k Capital - up to £60k</p>	<p>New grants programme launched on 1 June</p>
<p><u>The Clothworkers Foundation</u> https://foundation.clothworkers.co.uk/Open-grant-programmes.aspx</p>	<p>Capital awards only - for charities which work in one of their programme areas.</p> <p>Main Grants Programme - is for UK charities with an annual income of less than £15m, or their Small Grants Programme which is for UK charities with an income of less than £250,000.</p>	



Fund	Priorities	Deadlines / Bid Size
	<p>To improve the lives of people and communities, particularly those that face disadvantage, by funding a range of capital projects which meet its grant eligibility criteria, and which fall under one or more of its specified programme areas.</p> <p>https://foundation.clothworkers.co.uk/Open-grant-programmes/Main-and-Small-Grant-Programmes/Programme-areas.aspx (including isolated older people and disadvantaged young people) Main and small grants programme, average £25k and £7k</p>	Rolling programme
<u>Regeneration Capital Fund Grant</u>	<p>The Regeneration Capital Grant Fund, delivered in partnership with COSLA and local government, supports locally developed regeneration projects that involve local communities, helping to support and create jobs and build sustainable communities. Applications to the fund are made annually and, where justified, can potentially cover more than one financial year (subject to Spending Review restrictions).</p> <p>The fund is open to all 32 Scottish local authorities individually, or whether they exercise their functions through urban regeneration companies (URCs) or other special purpose vehicles (SPVs).</p> <p><i>Is this relevant for Burntisland?</i></p>	First stage applications for projects that can start in 2020/21 will be invited around early 2019
<u>Fife Council Common Good Fund</u>	Fife Council's common good fund (Kirkcaldy area fund) may provide some funding for this project; contact Laura MacKean, Policy Officer by email laura.mackean@fife.gov.uk	Up to £500,000 may be available
<u>Regeneration Funding (Castle area)</u>	Regeneration funding from Fife Council which may contribute to cost of developing the Halls	



Fund	Priorities	Deadlines / Bid Size
<u>Sponsorship from locals and businesses – sponsor a brick scheme</u>	Encouraging businesses and locals to sponsor the project by taking either advertising space at £500 per brick; or to buy individual bricks at say £50 per brick	Ongoing fundraising initiative target of £5,000 per year
<u>Scottish Land Fund</u>	Purchase of building – capital funding as well as revenue funding to develop fully costed drawings and plans	Ongoing



7. Legal Structure

Company Limited by Guarantee

A company limited by guarantee is the legal structure most widely used for not-for-profit organisations. The limited company has a separate legal existence. This means it will be the company itself that owns property, and contracts will be signed on behalf of the company. The directors, management and employees of the company can only act as agents of the company.

It is similar to a company limited by shares, the form used by most commercial businesses. The key differences are that there are no shareholders and the incentive to participate is not profit, but commitment to the objects of the organisation.

Members cannot benefit from any profits made – they have to be reinvested in the company.

The members must guarantee to pay a nominal sum, usually £1, if the company runs into difficulty. This is the limit of their personal liability, provided they do not act negligently or fraudulently.

A limited company's constitution consists of two parts:

1. **The Memorandum of Association** sets out the name of the company and country of incorporation.
2. **The Articles of Association** which set out:-
 - its aims or objects, which must be charitable if it wants to apply for grant funding and/or charitable status
 - its powers to pursue those objects
 - its membership structure
 - detailed rules about the internal management of the company
 - the procedures for electing the board of directors/trustees
 - the procedures for conducting meetings
 - restrictions on payment to members and directors/trustees
 - the system for keeping accounts
 - the dissolution clause, stating that on winding up, any surplus assets will be transferred to another charity.

This is a lengthy document because of the need to cover all the Companies Act requirements. Model Articles are available which can be adopted as they are, or tailored to meet the needs of the individual organisation.

Advantages

- The main advantage of forming a company is that there is limited liability. This means that the members' liability is limited to the amount guaranteed, usually £1. The personal assets of the directors cannot be seized to pay off debts. Only property owned by the company can be used to repay debts.



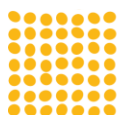
- Note that this limited liability only applies to acts carried out in the company name in good faith. Where the directors are guilty of fraud, negligence or wrongful trading (continuing to trade in the knowledge that the company was insolvent), they can be held personally liable for losses i.e. if they knowingly incurred debts they knew or should have known the company could not repay.
- Owning and transferring property is simplified – the company can own property in its own name, rather than appointing property trustees as nominal owners.
- A company undertakes all its activities in its own right, including entering into contracts. Many statutory bodies prefer to deal with limited companies.
- As a separate legal entity, the company can take legal action in its own name – it can sue and be sued.
- It provides a democratic structure - the members elect the directors (management committee) and have the right to remove them.
- The company framework is suitable for any size of organisation, so a small organisation can expand without being restricted by the structure it has adopted
- It is easier for an incorporated organisation to borrow money - the lender has the security of the company's assets, rather than the personal security of the individuals who form the company.
- The company will continue to trade regardless of whether the directors or management change. The company is not dissolved on the resignation or death of a director. The company can only be 'killed off' by winding up, liquidation, or by order of the Registrar of Companies or by the courts.
- Registration of a limited company will protect the company name selected. This is because the name has to first be approved by Companies House which maintains a register of company names to ensure that the name chosen is suitable and not already in use.

Disadvantages

- A company limited by guarantee is subject to external regulation and control. It is answerable to Companies House under company law, must file an Annual Return and accounts in the statutory format and comply with other procedural requirements.
- If it is also a registered charity, it is also answerable to the Office of the Scottish Charity Regulator (OSCR) under charity law and must complete Annual Returns for both.
- There is a lack of privacy. Information on a company's activities is submitted to the Registrar of Companies and is available for public scrutiny.
- There are additional costs - registration fee and possibly legal fees for help setting up the company; plus recurring fees for submitting the Annual Return, and administrative costs, including accounting/auditing fees to comply with the Companies Acts.

Registered Charity

While groups are choosing the legal structure most appropriate to their organisation, they should also consider whether or not they want to become a charity. Every charity must meet the charity test (see below), both before registration and on an ongoing basis.



Application for charitable status must be made to OSCR (The Office of the Scottish Charity Regulator), outlining the proposed activities and enclosing a certified copy of the constitution / Memorandum & Articles of Association. Application forms and guidance notes can be found on OSCR's website at www.oscr.org.uk

Advantages

- Exemption from most forms of direct taxation, within certain limits. Note that this does not include VAT - charities have to pay VAT like any other business when they cross the registration threshold.
- Eligibility for rates relief – mandatory 80% for charities; the other 20% is discretionary.
- Gift Aid can be used to increase the value of donations from eligible individuals. It can also be used for sponsored fundraising events.
- A good public image, which helps when fund raising.
- Eligibility for help, especially financial, from other charitable trusts. Some will only give grants to registered charities, although most will give to anybody whose objects are charitable, whether or not they are registered.

Disadvantages

- The organisation's objects must all be wholly charitable.
- There are restrictions on the level of non-charitable trading that can be carried out by a charity. Exceeding these limits makes the charity liable for tax and can also jeopardise its charitable status (see trading subsidiary below).
- There are restrictions on the alteration of objects and on dissolution.
- Committee members/directors cannot normally be paid or receive any financial benefits.
- Charities are subject to regulation by the Office of the Scottish Charity Regulator (OSCR) and must complete an Annual Return, as well as notifying OSCR of various other changes.
- Accounts have to be drafted in accordance with specific requirements as laid out in charity accounting regulations. They must be independently examined or audited as required by the regulations, and must be sent to OSCR with the Annual Return.

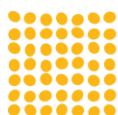
The Charity Test

The *Charities and Trustee Investment (Scotland) Act 2005* introduced a two-part charity test which an organisation has to meet before being granted charitable status by OSCR:-

1. its purposes consist of one or more charitable purposes
and
2. it provides public benefit in Scotland or elsewhere.

The charitable purposes are:-

- a. the prevention or relief of poverty
- b. the advancement of education
- c. the advancement of religion



- d. the advancement of health (including the prevention or relief of sickness, disease or human suffering)
- e. the saving of lives
- f. the advancement of citizenship or community development (including rural or urban regeneration, and the promotion of civic responsibility, volunteering and the voluntary sector)
- g. the advancement of the arts, heritage, culture or science
- h. the advancement of public participation in sport
- i. the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended
- j. the advancement of human rights, conflict resolution or reconciliation
- k. the promotion of religious or racial harmony
- l. the promotion of equality and diversity
- m. the advancement of environmental protection and improvement
- n. the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage (including the provision of accommodation or care)
- o. the advancement of animal welfare
- p. any other purpose that may reasonably be regarded as analogous to any of the preceding purposes.

The Public Benefit test

Public Benefit is not defined in the Act but is based on established practice and case law. In assessing public benefit, OSCR considers not only the benefit to members of the public but also:-

- whether any other specific groups or individuals gain any private benefit and how this compares to the public benefit provided.
- whether there is likely to be any “disbenefit” or harm to the public
- whether any fees or charges made for its services unduly restrict public access to the benefit.

Although an organisation may meet the charity test by having one or more charitable purposes and providing public benefit, it CANNOT be a charity if any of the following apply:-

- The constitution allows the distribution or use of its property for a purpose which is not charitable - this is why the dissolution clause in the constitution is so important.
- The constitution expressly permits Government Ministers to control or direct its activities.
- The organisation is a political party or one of its purposes is to advance a political party. The charity test does not stop a charity from engaging in campaigning or lobbying to further its charitable objectives, but it does prevent promotion of any particular political party.

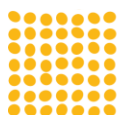
OSCR has published full guidance on this in its publication “*Meeting the Charity Test*” which can be downloaded from its website.

Trading and charitable status

Trading allowed within a charity

Contrary to public perception, many charities already earn a considerable proportion of their income from different types of trading and from public sector contracts.

- Primary purpose trading is trading carried out by a charity to fulfil its objects e.g. a care home charging fees; a nursery charging weekly fees.



- Ancillary trading is also allowed e.g. a drug rehabilitation programme runs a café to provide work experience for those on the programme. Income from the café is ancillary trading which is allowable.
- By contrast, a charity operates a stand-alone café in part of its building. It is staffed by paid employees. It exists purely to generate income to be used to support the charity's core activities. This trading is neither primary purpose nor ancillary trading and will only be allowed within the charity if it qualifies as small trading i.e.:-
 - Total sales from the trade are less than £5,000 per annum
 - Above this level, the limit for trading income is £50,000 or 25% of the charity's total income, whichever is lower - if total income is £100,000, the limit for trading income is £25,000 (25%); if total income is £500,000, the limit for trading is capped at £50,000.

Above these limits, it is deemed to be non-charitable trading and could be liable for tax.

- Profits from most types of fundraising and from lotteries are not considered to be trading and are exempt from tax under an extra-statutory concession.

Trading using a subsidiary company

Where a charitable company limited by guarantee wants to carry out non-charitable trading activities to generate income, it cannot do this within the main charitable company.

Under charity law, charities cannot engage in commercial activities which might put charitable assets at risk. OSCR's main concern is the protection of charitable assets and ensuring that activities undertaken by charities are within their charitable objectives.

Further, in line with the public benefit test, OSCR may view excessive charging as being detrimental to their charitable activity and may revoke charitable status. There are no rules or amount; OSCR simply makes a judgement on this.

Finally, HM Revenue & Customs have clear guidelines on the amounts charities can earn before they lose their tax relief – see above.

If these circumstances occur, the core charity has to set up a subsidiary company (a company limited by shares), owned by the main company (the parent). The subsidiary company normally has a nominal amount of share capital (say 100 £1 shares), wholly owned by the main charity (the parent). The profits from the trading subsidiary can then be gifted to the charitable company. There is nothing to prevent a trading subsidiary being owned by more than one charity. Previously such subsidiary companies were prohibited from making Gift Aid payments to more than one charity but this prohibition no longer applies.

The advantages of setting up a trading subsidiary are that it allows the separation of charitable activity, undertaken in carrying out its charitable purposes and commercial activity, carried out to generate profits for the charity. This separation protects charitable assets and makes it easier to monitor profitability of the trading activities; this is essential since the subsidiary's purpose is to generate profits for the parent charity.

Operating a trading subsidiary

- The trading subsidiary company is a separate legal entity with its own memorandum and articles of association.
- The Board members may be the some or all of the directors of the parent charity, but it is an opportunity to bring in people with commercial skills and experience as directors of the subsidiary company only.



- The subsidiary company must have its own bank account and keep a separate set of financial records. This can get complicated where staff and services are shared by the charity and the subsidiary and costs have to be cross-charged. This requires a competent financial administrator with enough time to make sure it is all kept in order. Care has to be taken to ensure that all invoices for both sales and purchases are in the correct name and that all receipts and payments go through the correct bank account.
- VAT is also an issue. The trading company has to register for VAT when its trading income for the last 12 months crosses the VAT threshold (currently £73,000).
- At the year end, two sets of accounts have to be produced - one for the subsidiary company and one for the charity. Where total income is more than £500,000, the charity accounts must be a consolidated set, showing its own figures and the combined figures for both charity and subsidiary. This additional work does increase accountancy fees.
- Most subsidiaries pay overall profits to the charity as any profits retained in the subsidiary company are liable to corporation tax. This can leave the subsidiary short of working capital which can be provided by way of a small loan from the parent charity.
- Legally a parent charity cannot make donations to the subsidiary, either in cash or in kind or pay any debts of the subsidiary. It must, if allowing the use of its staff, buildings or equipment by the trading subsidiary, make fair charge for use of these assets.
- In other words, it is a one-way street – the subsidiary can give cash and assets to the charity; the charity cannot give anything free to the subsidiary.
- A trading subsidiary, unlike the parent charity, has no right to rates relief on any property it occupies. Any relief granted is entirely discretionary.

Further guidance on trading subsidiaries and tax can be found in the Charity Commission's publication CC35 – *Trustees, trading and tax* which can be downloaded from the website at www.charity-commission.gov.uk

Company Limited by Shares

A company limited by shares is the legal form used by most businesses. The company is owned by the shareholders - i.e. the people who put money into the business – who extract the profits through dividends, based on the number of shares they own. Like a company limited by guarantee, it has a separate legal existence i.e. the company owns property, employs staff and signs contracts. The directors, management and employees of the company can only act as agents of the company.

Advantages

- The main advantage of forming a company is that there is limited liability. This means that the shareholders' liability is limited to the value of the shares held by them should things go wrong. The personal assets of the directors cannot be seized to pay off debts. Only property owned by the company can be used to repay debts.
- Note that this limited liability only applies to acts carried out in the company name in good faith. Where the directors are guilty of fraud, negligence or wrongful trading (continuing to trade in the knowledge that the company was insolvent), they can be held personally liable for losses i.e. if they knowingly incurred debts they knew or should have known the company could not repay.
- The company continues to trade regardless of whether the directors or management change. Unlike partnerships, the company is not dissolved on the resignation, bankruptcy or death of a



director. The company can only be 'killed off' by winding up, liquidation, or by order of the Registrar of Companies or by the courts.

- Registration of a limited company protects the company name selected. This is because the name has to first be approved by Companies House which maintains a register of company names to ensure that the name chosen is suitable and not already in use.
- Finance may be easier to arrange because a limited company can borrow in its own name and grant security over assets, such as property, to bankers and other lenders.

Disadvantages

- There are formation and annual filing costs, and costs of preparing accounts in the required format.
- Accounts have to be filed with Companies House, and are open to public inspection, which may be of benefit to creditors, competitors etc.
- There are stringent legal obligations on directors to comply with the provisions of the Companies Acts. Failure to do so can result in fines.

This is the legal form generally used for subsidiary trading companies. In most cases all of the shares are held by the parent organisation.

However there are examples of social enterprises operating as limited companies and raising capital by selling shares – this could be in the form of a community share issue, where members, supporters etc. can purchase shares in the company, thus committing to it, as well as investing small sums in it. They can receive benefits but can choose to forego any dividends. There would be no danger of corporation tax since the company would gift aid all profit (if there was any) to the charity.

Scottish Charitable Incorporated Organisation (SCIO)

The Scottish Charitable Incorporated Organisation (SCIO) is a new legal form for registered Scottish charities launched only in April 2011. The SCIO is a corporate body which is a legal entity able to enter into contracts, employ staff, incur debts, own property, sue and be sued.

The main purpose of a Scottish Charitable Incorporated Organisation (SCIO) is to give a charity the benefits and legal protection of an incorporated body – specifically the limited liability of its 'members' – but without the hassle associated with being a limited company answerable to Companies House.

Advantages

- It is the only legal vehicle specific to charities – being a SCIO means that there is immediate recognition by third parties that the organisation is a Scottish charity.
- It has a separate legal personality, which means that property can be held in its name and that it can enter into contracts in its own name (like a company limited by guarantee, but unlike a Trust or an unincorporated association).
- It provides limited liability to its members, who do not have to make a contribution to its assets if there is a shortfall on its dissolution (members of a company limited by guarantee are usually required to contribute £1 each, whilst Trustees of a Trust and members of an unincorporated association have unlimited liability).
- It provides protection to third parties and creditors who deal with the SCIO.



- The burden of dual registration is removed. OSCR will be its sole regulator, with a “light-touch” regulatory process (unlike a company limited by guarantee, it will have no involvement with Companies House, although a SCIO will still need to be approved by HM Revenue & Customs in respect of charitable tax relief). Only one Annual Return will have to be completed and submitted to OSCR.

Points to consider

- SCIOs must pass the charity test – including the public benefit requirement, and are then shown on the Scottish Charity register.
- SCIOs need to be very clear in their founding documents (constitutions) about who can be a legal member of the SCIO and how they become one.
- If a SCIO has its charitable status revoked it stops being a SCIO and ceases to exist. Its assets are then passed to another charitable body. This is different from charitable limited companies where, once charitable status is revoked, the non-charitable company stills exist as a legal entity but without charitable status.
- You cannot be a SCIO and another type of incorporated organisation (e.g. a company) at the same time – it is one or the other. When an organisation converts to being a SCIO it is removed from other registers (e.g. at Companies House).
- Companies and Industrial and Provident Societies (IPS) can, in most cases, convert to SCIOs (see section 56 of the Act).
- SCIOs can amalgamate with one another but not with other types of charity.
- SCIOs can transfer their assets to another SCIO and wind up.

There are two options for types of SCIO:

- The single tier option is most suited to organisations with a small number of members who also act as the charity trustees (similar to charitable trusts).
- The two tier option is more suited to organisations with a larger group of members who then elect or appoint charity trustees to manage the charity on their behalf. This model is similar to the existing company limited by guarantee.

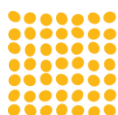
This new form of charitable status is available from 1 April 2011 to individuals thinking about applying for charitable status for a new organisation and, on a phased basis later to existing charitable companies and charitable industrial and provident societies from 1 January 2012. OSCR has issued guidance *SCIOs: A Guide*, covering all aspects of registering and operating a SCIO.

Community Interest Companies (CICs)

Community Interest Companies (CICs) were created to provide a flexible legal form for social enterprises that wanted to pursue trade for social benefit.

CICs are intended to offer all the flexibility and protection of the company form, but with some special features to ensure they are working for the benefit of the community rather than for the benefit of the owners of the company. This means that a CIC cannot be formed or used solely for the personal gain of a particular person, or group of people.

The legislation which enables CICs to be formed, and provides for them to be regulated by the Regulator of Community Interest Companies, is contained in Part 2 of the *Companies (Audit,*



Investigations and Community Enterprise) Act 2004 and the Community Interest Company Regulations 2005.

- A key feature of CICs is the statutory “Asset Lock” to prevent the assets and profits being distributed, except as permitted by legislation. This ensures that the assets and profits are permanently retained within the CIC and used solely for community benefit, or transferred to another asset-locked organisation, such as another CIC or charity.
- There is flexibility in that CICs can be companies limited either by guarantee or by shares. For CICs limited by shares, there is the ability to pay some dividends to members but this is strictly limited (“capped”) since they exist primarily for community benefit.
- Unlike charities, CICs are permitted to pay salaries to directors.
- A company that is a charity cannot be a CIC, unless it gives up its charitable status. However, a charity may apply to register a CIC as a subsidiary company e.g. a charity shop or café.
- CICs do not enjoy the tax advantages of charities; they have to pay Corporation Tax on profits from trading activities, just like other trading companies. They can, like any other trading subsidiary, gift the profits to a parent charity or charities.
- CICs report to an independent regulator – the Regulator of Community Interest Companies - and have to complete an Annual Return.
- As well as producing accounts which comply with companies’ legislation requirements, they have to produce a Community Interest Statement and Report detailing how they are delivering benefit for the community and how they are involving their stakeholders in their activities.

CICs are attracting a considerable amount of interest, particularly south of the border; there are now more than 5,000 CICs on the register. The model is unlikely to appeal to those who value their charitable status. However, CICs provide a new alternative for social enterprises starting from scratch.

Co-operatives

The Co-operative and Community Benefit Societies and Credit Unions Act 2010 replaced the *Industrial and Provident Societies Acts*. New societies are registered as co-operatives or community benefit societies, rather than IPSs.

Co-operatives are run for the mutual benefit of members who use the services of the society. The co-operative format is common amongst housing, consumer and worker co-operatives. Membership is open to anyone who meets the membership criteria. Members receive interest on their share capital and a share in the profits or a dividend based on transactions with the society.

Community benefit societies are run primarily for the benefit of the community rather than the members of the society i.e. there must be a wider community purpose. Members can receive interest on their share capital but are not entitled to share profits as these are reinvested for community benefit. A community benefit society is eligible for charitable status, provided it can satisfy the charity test.

These societies are incorporated bodies with limited liability, the same as companies registered under the Companies Acts, set up either for the mutual benefit of members, or for the benefit of the community.

Co-operative and community benefit societies must register their rules (governing document) with the Financial Services Authority (FSA); note that the FSA’s role is one of registrar not regulator. All



the necessary forms for registration can be found on the FSA website at www.fsa.gov.uk. These are submitted along with a set of the society's rules.

Most societies register through a sponsoring body using their model rules that have been pre-approved by the FSA as this makes the registration process faster and cheaper. Any departure from the model rules can result in a more time consuming and expensive process.

The unique attributes of co-operative and community benefit share capital are:-

- One-member-one-vote, regardless of how much money a member has invested. This is much more democratic than the company shareholder structure of one-share-one-vote, which allows large shareholders (often institutional) to control the company and dictate policy and terms.
- The minimum investment is set at £250 to ensure the broadest possible membership.
- Upper limit on individual member investment, currently £20,000 per individual. This builds on the principle of community ownership rather than dependency on a few individual shareholders.
- Flexible capped interest, not dividends, can be paid on share capital. Societies can pay interest up to a rate "sufficient to attract and retain investment". This respects the not-for-profit motive of members while rewarding them for investing and risking their money.
- Withdrawable share capital – this is unique to co-operative and community benefit societies and allows investors to get their money back, subject to the terms and conditions of withdrawal, without having to find a buyer for the shares.
- Membership –Most societies have a single category of open membership, although there has been some experimentation with multi-stakeholder structures, with sectional voting-rights, and different rates of return.
- The board is formed from and elected by the members, on a democratic basis, again ensuring that there is no control of the board by any large investor.
- The optional statutory asset lock applies to community benefit societies only. This is similar to the asset lock in CICs and the restrictions imposed in the dissolution clause for charities.

Trusts

A Trust is a one-tier organisation, where those taking the management decisions (i.e. the trustees) are not answerable to any wider body of people. There is no membership, no AGM and therefore no sense of accountability to a wider group of stakeholders.

The trust is created by agreeing a Trust Deed which must be done by lawyers and registered with the Court of Session. In addition, any changes must be done by a lawyer, where for all the other legal options changes to the founding document can be done by the organisation itself.

The trustees themselves appoint new trustees (although occasionally the trust deed will provide a reserved place among the trustees for a representative of a specified outside body or bodies) rather than appointment by nomination at an AGM.

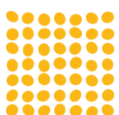
There is a prohibition on any payment of profits (or, on a winding-up, payment of surplus funds) to trustees and there is a prohibition on the payment of remuneration to trustees.

Examples of single-tier trusts would be trusts set up by an individual, members of a family, or a small group of committed people, to collect donations for a particular purpose and then pay out



money periodically to charities operating in the specified field or fields. It is quite a useful form of organisation for raising funds to buy medical equipment, or to fund research or care services for people suffering from particular medical conditions.

No trading subsidiaries are allowed with this model.



Option 1 – Weddings/Events space upstairs; heritage and offices downstairs



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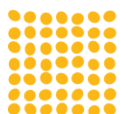
Option 3 – holiday accommodation upstairs in Chambers, heritage downstairs; workshop/office space in old Council offices



9. Income Forecasts

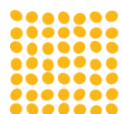
Projection of income for Weddings and Events – Year 1 of trading

Just develop Chambers - weddings, corporate and heritage														
	2020													
Weddings and Corporate	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
Weeks Per Month	5	4	4	5	4	4	5	4	5	4	5	4	4	
Days Open Per Month (weddings and corporate)	12	12	12	12	12	12	12	12	12	12	12	12	12	
Days Open per Month (heritage)	8	8	16	16	16	16	16	16	8	4	4	8	8	
Hours open Per Day (heritage)	4	4	6	6	6	6	6	6	4	0	0	4	4	
Rate - weddings hire of Chamber	£300	£350	£450	£450	£450	£450	£300	£300	£400	£300	£300	£300	£300	
Customers per month	2	3	3	4	3	4	2	1	2	2	2	2	2	
Income from wedding hire	£600	£1,050	£1,350	£1,800	£1,350	£1,800	£600	£300	£800	£600	£600	£600	£600	£11,450
Rate - corporate hires/event	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	
Customers per month	4	4	3	2	2	3	4	3	4	2	2	2	3	
Income from corporate events	£600	£600	£450	£300	£300	£450	£600	£450	£600	£300	£300	£450	£450	£5,400
Rate - ghost tours, murder mystery tickets	£10	£10	£12	£12	£12	£12	£12	£10	£10	£10	£10	£10	£10	
Customers per month	20	30	40	50	50	40	40	20	30	10	10	10	10	
Income from tours	£200	£300	£480	£600	£600	£480	£480	£200	£300	£100	£100	£100	£100	£3,940
Rate - heritage tours (public)	£3	£3	£3	£3	£3	£3	£3	£3	£3	£3	£3	£3	£3	
Customers per month	20	30	40	70	100	100	100	60	30	20	20	40	40	
Income from heritage	£60	£90	£120	£210	£300	£300	£300	£180	£90	£60	£60	£120	£120	£1,890
Total Income	£1,460	£2,040	£2,400	£2,910	£2,550	£3,030	£1,980	£1,130	£1,790	£1,060	£1,060	£1,270	£1,270	£22,680



Projection of income for Accommodation – Year 1 of trading

Just Develop Chambers - accommodation and heritage														
	April	May	June	July	August	Sept.	Oct.	Nov.	Dec	January	February	March		
Weeks Per Month	5	4	4	5	4	4	5	4	5	4	4	4		
Renting out one apartment														
Price per night	£60	£60	£70	£80	£80	£70	£60	£60	£80	£50	£60	£60		
Price per 3 night booking	£180	£180	£210	£240	£240	£210	£180	£180	£240	£150	£180	£180		
Price per week	£420	£420	£490	£560	£560	£490	£420	£420	£560	£350	£420	£420		
3 night bookings per week	1	2	0	0	0	0	2	1	2	2	1	1		
7 night bookings per week	0	0	1	1	1	1	0	0	0	0	0	0		
Income from apartment accommodation	£900	£1,440	£1,960	£2,800	£2,240	£1,960	£1,800	£720	£2,400	£1,200	£720	£720	£ 18,860	
Bunkhouse style accommodation														
Price per night	£ 18	£ 18	£ 20	£ 22	£ 22	£ 22	£ 18	£ 18	£ 18	£ 18	£ 18	£ 18		
no. of bookings per week	4	6	8	8	10	10	6	6	6	6	6	6		
Income from bunkhouse accommodation	£ 360	£ 432	£ 640	£ 880	£ 880	£ 880	£ 540	£ 432	£ 540	£ 432	£ 432	£ 432	£ 6,880	



Projection of Overheads

Shared Overheads															
Overhead Expenses															
Advertising		£40	£40	£40	£40	£40	£40	£40	£40	£40	£40	£40	£40	£	480.00
Rates		£80	£80	£80	£80	£80	£80	£80	£80	£80	£80	£80	£80	£	960.00
Water Rates	<i>Estimate</i>	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£	600.00
Gas / Electric	<i>Estimate</i>	£300	£300	£250	£250	£250	£250	£300	£350	£350	£350	£350	£350	£	3,650.00
Phone and internet	<i>Estimate</i>	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£	720.00
Insurance		£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£	1,800.00
Stationery, postage & Printing		£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£	240.00
Staff costs : Core	<i>Link to staff</i>	£2,377	£2,377	£2,377	£2,377	£2,377	£2,377	£2,377	£2,377	£2,377	£2,377	£2,377	£2,377	£	28,523.63
Staff training				£80				£80				£80		£	240.00
Volunteer expenses and training		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£	600.00
Professional and accountancy fees													£1,000	£	1,000.00
Repairs & Maintenance		£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£	2,400.00
Security alarm and other contracts		£70	£70	£70	£70	£70	£70	£70	£70	£70	£70	£70	£70	£	840.00
Refuse Collection		£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£	300.00
Website development		£7,000												£	7,000.00
Cleaning materials		£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£	360.00
Misc		£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£	1,200.00
Total Overheads		£10,552	£3,552	£3,582	£3,502	£3,502	£3,502	£3,632	£3,602	£3,602	£3,602	£3,682	£4,602	£50,913.63	
Funding (website)								£7,000							7,000
Revenue Funding		£30,000													30,000

