

# Sampford Courtenay Parish Council

## SC Community Asset Interest Company [Revision 3] Presented to the Meeting of the Parish Council 2<sup>nd</sup> February 2021

### 1 BACKGROUND AND PROGRESS REPORT

#### 1.1 SC-PC Meeting 3<sup>rd</sup> March 2020

1.1.1 Minute 13 (P) of the SC-PC Meeting held 3<sup>rd</sup> March 2020 summarily dismissed my earlier paper in respect to establishing a *Community Interest Company (CIC)* with the purpose of adequately funding Parish Assets with minimum impact on the precept.

1.1.2 The minute reads:

*13(P) Community Interest Company – Progress Report – Cllr Coleman presented a written report on his proposal to set up a CIC. If you are interested in finding out more about this enterprise please contact Cllr Coleman direct.*

#### 1.2 SC-PC Meeting Held 5<sup>th</sup> January 2021

1.2.1 The paper *SC Community Asset Interest Company [Revision 2]* dated 1<sup>st</sup> January 2021 was represented at the SCPC Meeting held 5<sup>th</sup> January 2021 but was dismissed again without discussion as it did not make any proposals.

1.2.2 As no reference was made to the paper in the minutes, Cllr. Coleman made a formal request that it be discussed at the February meeting. Minute 22(a) refers.

1.2.3 Since publication of the minutes of the meeting held 5<sup>th</sup> January 2021, several Parishioners have made proposals for further projects to be included within the scope of the *SC Community Asset Interest Company*.

### 2 OVERVIEW OF A COMMUNITY INTEREST COMPANY (CIC)

2.1 A *Community Interest Company (CIC)* is a business with the primary social objective that its surpluses/profits are principally reinvested to help create a strong, sustainable, and socially inclusive economy. CICs are intended to be easy to set-up, with all the flexibility and certainty of a limited company, but with some special features to ensure they are working for the benefit of the whole community, whilst being unrestrained by political or other self-orientated organisations and groupings.

2.2 The CIC's surpluses/profits may be used to maintain and improve community held assets, or assets within the CIC's own direct control whilst ensuring the public purse is relieved of both capital and ongoing revenue costs.

2.3 Formation and registration of CICs is similar to that of any limited company and are registered at Companies House by filing memorandum and articles of association; details of nominated officers such as directors and company secretary; and explaining their community credentials.

- 2.4 CICs are eligible to take advantage of generous HM Government Loans and Grants, and other financial support in much the same way as a local authority may for the same purposes, subject to conditions relating to Director remuneration and impact or evidence of the social benefit that they have provided over the previous year.
- 2.5 I have discussed these proposals with a director of a Community Interest Company established about two years ago, which has secured 100% funding to realise its vision with a healthy surplus to date. He has suggested that in his view the proposed Board Structure (Section 4 refers) is sound and demonstrates competent management control to mitigate risks sufficiently to secure staged funding as required. However, from his experience the incorporation should be as a '*company limited by guarantee*'. As a consequence, my intention is now to canvass these proposals more widely than the community of support I have secured already and invite all Parishioners to become guarantors.

### **3 PARISHIONERS' SUGGESTIONS AND SUPPORT**

Minute 13(P) of the SC-PC Meeting held 3rd March 2020 was widely circulated and as a consequence, both expressions of interest and offers of financial support have been received to implement the proposals for an *SC Community Asset Interest Company*.

In addition, since the initial proposal was made a number of further suggestions have been received as outlined in the following sections.

#### **3.1 War Memorial and Re-instatement of the Church Room Cobbles**

An offer of £2,000 towards the cost of the remedial works required to the War Memorial has been received to include the reinstatement of the Church Room Cobbles.

#### **3.2 Reconstruction of the SC PC Public Conveniences**

- 3.2.1 Strong representations have been made by Parishioners' and their families with special needs that the SCPC Public Conveniences should be rebuilt fully compliant with the Disabilities Discrimination Act 1995 (DDA).
- 3.2.2 Professional architectural services have been offered on a contingent basis to secure 100% funding for the redevelopment of the Parish Toilets to be fully accessible compliant with the DDA.

#### **3.3 Redevelopment of the Village Hall**

- 3.3.1 My personal commitment to the Village Hall goes back to circa 1990, when Mr. Les Beer was Chairman of the *Village Hall Committee (VHC)* and obtained the paint from ICI to repaint the entire hall! A great debt of gratitude is owed to Mr. & Mrs. Beer, Mr. & Mrs. Ralph Squire, and a small band of volunteers who gave time the best they could. Subsequently, the success of the *Millennium Celebrations (MC)* resulted in the Principals of the MC Organising Committee revitalising the VHC. They gave the commitment at the time that the surplus from the MC would be held in a ring-fenced account for a series of Parish improvement projects including a versatile '*Best-in-*

*Class* Village Hall fit for the 21<sup>st</sup> Century. Some examples of these improvements include the Village Hall Staging, the Millennium Stone, and an annual subsidised community outing. Much is owed to the Village Hall Improvement Working Party, that used to meet every second Saturday.

- 3.3.2 However, things move on. Subsequent advice received from West Devon Borough Council was to engage an architect<sup>1</sup> to apply for a Village Hall Grant and supervise the construction of the new kitchen and other improvements. Against this advice the VHC pursued a Village Hall Grant on their own initiative, without being supported by an Architect's drawings or Design & Access Statement. As a consequence, of the grant application of £90,000 only circa £10,000 was received.
- 3.3.3 The opportunity now exists for the mistakes of the past to be redressed with prospective grants and other funding available from a variety of sources including educational, and architectural trusts, and architectural competitions. Each of these sources of funds require formal proposals by an architect explaining the benefits, design and execution of the project, and how the funds are to be managed, controlled, and audited.
- 3.3.4 The proposal is that the funds derived from these sources are invested as an '*Invest to Save*' project as advised by The Secretary of State for Housing, Communities and Local Government Rt. Hon. Robert Jenrick. The cost of the full redevelopment would be eligible for a Public Works Board Loan over fifty years, which would be more than repaid from the capital growth invested in '*Invest to Save*' meeting the Secretary of State's objective to lower the ongoing costs over this period and mitigating the need for council tax increases and relieving the Council Taxpayer of otherwise avoidable costs.
- 3.3.5 As a consequence, of my clear and unequivocal position on reducing the Parish Precept whilst enhancing Parish facilities including the Village Hall, I have received offers to support the redevelopment of the Village Hall to be a versatile '*Best-in-Class*' facility fit for the 21<sup>st</sup> Century. These include commercial proposals for a '*Planetarium Domed Roof*', a Northern Hemisphere Astronomical Projector, and retractable seating.
- 3.3.6 I have written formerly to the *Village Hall Committee (VHC)* several times with these proposals, but I am yet to receive a reply or acknowledgement. However, in a casual conversation with a member of the VHC, I understand that there is a view these proposals are the way forward. I am also heartened that Parishioners better understand the respective responsibilities of Trustees and Beneficiaries under the Trust Act 2000. As a consequence, I am confident that majority support by the '*Beneficiaries of the Village Hall Trust*' can be demonstrated.

### **3.4 The New Inn to be Operated as a *Not-For-Profit* Community Pub**

- 3.4.1 The New Inn has ceased trading as a casualty of the pandemic and is unlikely to re-open. This demonstrates just how vulnerable, community assets are to changed circumstances.

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<sup>1</sup> The title '*architect*' is reserved for use solely by appropriately qualified professionals who are on the Architects Register and is protected by law.

3.4.2 As a consequence, following discussions with the present licensee, acquisition of the remaining lease term is now included in the proposals for a ***SC Community Asset Interest Company***.

3.4.3 Previous overtures had been made to Heavitree Brewery regarding the acquisition of the freehold of the New Inn about twenty years ago as part of the ***'Millennium Vision'***. This resulted in its thorough renovation from not much better than *'spit and sawdust'* to a *'gastro-pub'* after being closed for over six months. Heavitree Brewery is a pragmatic business, and as a consequence of the pandemic, there is little reason why they would not be sympathetic to partnering arrangements and sharing future risk. All the indications are also that HM Government would be supportive of helping to ensure hospitality and entertainment venues are retained, particularly in rural or other disadvantaged communities.

### **3.5 Consolidation of the Village Play Area with a Skate-Board Park**

3.5.1 In anticipation that the lease of the New Inn can be acquired, the adjacent field to the car park is within the leased area of the pub. As a consequence, it offers the opportunity for the construction of the skateboard park suggested by a young Parishioner, and which seems to be generally supported.

3.5.2 This field also offers the opportunity to relocate the present play area on the Village Green to be consolidated with the skateboard park.

### **3.6 Community Fibre Broadband Partnership for the Beeches**

3.6.1 Sampford Courtenay Parish Council already has powers to subsidise telecommunication services.

3.6.2 Residents of ***The Beeches*** have invited me to represent their interests and that SC-PC exercise their *'telecoms powers'* to implement a ***Community Fibre Broadband Partnership*** on their behalf following earlier consultations.

3.6.3 Please note I have properly declared my interest as a director with a shareholding in a holding company of telecoms interests specialising in high-speed data communications. The associated intellectual property was sold to BT, and the equity interests were sold-out to Virgin Media, which in turn was acquired by Liberty Bell. I am also a former member of the BT Consultants' Service. I am now free of any restrictive covenant and my consultancy services are available in this business sector.

3.6.4 The current situation is that Open Reach (a BT Plc company) has the ***Public Service Obligation (PSO)*** to provide high-speed broadband when requested by an ***Internet Service Provider (ISP)*** to do so subject to an appropriate business justification. Sadly, there are some areas which do not withstand the rigorous business scrutiny required and are deemed non-viable by the ISPs. Sampford Courtenay Parish generally is one such community.

3.6.5 Within Sampford Courtenay itself there are clusters, however, that may meet the criteria to build a customised fibre solution to bring fibre broadband to homes and businesses. One such community is The Beeches and nearby properties.

3.6.6 ***Open Reach*** have joint funding arrangement in place to contribute towards some of the costs, whilst the ***SC Community Asset Interest Company*** would be ideally placed to fund the rest.

- 3.6.7 From this modest start *Open Reach* and the *SC Community Asset Interest Company* could then work in partnership to progressively roll-out the most affordable solution to the rest of the Parish.
- 3.6.8 As an example, should the *SC Community Asset Interest Company* be adopted as the '*Partner of Choice by The Beeches*', *Open Reach* would then advise on the grants available from local authorities, Government, or both to help pay for its costs.
- 3.6.9 The business model then follows the '*Invest to Save*' advice of the Secretary of State for Housing, Communities and Local Government. Specifically, the grant funds received are invested to pay-back a Public Works Board Loan over fifty years (say) relieving The Beeches and the Council Taxpayer generally of otherwise avoidable costs.

#### 4 PROPOSED STRUCTURE

- 4.1 Against the background of the constant and progressive erosion of the heritage of Sampford Courtenay, the principal aim of the *SC Community Asset Interest Company* would be '*to secure and enhance the preservation status of both the natural and built environment, whilst developing the economic, and social fabric of the whole community*'. (Please refer to mission of the Landmark Trust in respect to Lundy Island as an example.)
- 4.2 The *SC Community Asset Interest Company* comprises a Board of Directors with the appropriate qualifications, skills, and professional accountability, who would serve to oversee individual projects as the Design, Construction and Management team. (Please refer to Construction (Design and Management Regulations) for further details of the associated mandated responsibilities, which are subject to criminal law under Health and Safety Legislation.)

A Chief Executive
A Conservation Architect
Project Scheme and Detailing Architect(s)
Quantity Surveyor
Consulting Engineer(s)
Company Secretary
Chartered or Certified Accountant
Other Specialist Advisers depending on the project

- 4.3 The positions will be remunerated compliant with the conditions of the Companies Act regulating Community Interest Companies.
- 4.4 The Conservation Architect would have the responsibility for securing third party funding such as grants, loans, and legacies consistent with the Mission of the SC-CIC '*to secure and enhance the preservation status of both the natural and built environment, whilst developing the economic, and social fabric of the whole community*'. (NB – I have previously circulated details of Hastings Pier, whereby an initial fundraising of £15,000 secured a total of £4M for its redevelopment and winning the Foster Prize for outstanding architecture.)

- 4.5 Stakeholders would be invited to form Development Consultative Committees to represent their individual and collective views in respect to individual projects to the Board of Directors in much the same way as any other company would do.

## 5 OUTLINE COSTINGS OF SOME ILLUSTRATIVE POTENTIAL SC-CIC PROJECTS

- 5.1 Cllr. Carpenter has requested a full business plan of any *SC Community Asset Interest Company* project that SC-PC might support.

- 5.2 Listed below are three outline costings of prospective projects. Upon Fellow Councillors endorsement of the actions requested in Section 6, the Board of Directors will be appointed, and the business plan(s) requested by Cllr. Carpenter developed by appropriately qualified professionals.

### 5.3 War Memorial and Re-instatement of the Church Room Cobbles

<b>Costs:</b>		<b>Funded by:</b>	
<i>Capital Cost of Project</i>	£10,000	<i>Public Works Board Loan</i>	£10,000
<i>Total Loan Repayments</i>	£10,000	<i>Donor Subscription, pledge, and bequests</i>	£10,000
<i>Total Interest</i>	£5,000	<i>CIC Annual Surplus/Profits (say 20 years @ £250/yr)</i>	£5,000
<b><u>Annual Maintenance</u></b>	<b><u>£200</u></b>	<b><u>Sponsorship/adoption/fundraising</u></b>	<b><u>£200</u></b>

### 5.4 Redevelopment of Public Toilets

<b>Capital Costs</b>		<b>Funded by:</b>	
Subject to detailed project budget		<i>Grant Assistance – Eligible Costs (&gt;90%)</i>	£45,000
		<i>Bank Loan (max)</i>	£5,000
<b><u>Budgeted Cost of Project:</u></b>	<b><u>£50,000</u></b>	<b><u>Total:</u></b>	<b><u>£50,000</u></b>

<b>Recurring Annual Costs:</b>			
<i>Maintenance</i>	£1,000	<i>DDA Key Scheme(s)</i>	£1,000
<i>Cleaning</i>	£2,000	<i>Commercial Sponsorship &amp; Sales</i>	£1,000
<i>Revenue Items</i>	£200	<i>CIC Annual Surplus/Profits</i>	£850
<i>Loan Repayments</i>	£500	<i>Sponsorship/adoption/fundraising</i>	£1,000
<i>Interest</i>	£125		
<b><u>Total:</u></b>	<b><u>£3,850</u></b>	<b><u>Total:</u></b>	<b><u>£3,850</u></b>

### 5.5 Redevelopment of Village Hall

<b>Capital Costs</b>		<b>Funded by:</b>	
Subject to detailed project budget		<i>Architectural/Improvement Grants (50%)</i>	£250,000
		<i>Public Works Board Loan (50%)</i>	£250,000
<b><u>Budgeted Cost of Project:</u></b>	<b><u>£500,000</u></b>	<b><u>Total:</u></b>	<b><u>£500,000</u></b>

<b>Recurring Annual Costs:</b>			
<i>Loan Repayments</i>	£5,000		
<i>Interest</i>	£3,125	<i>CIC Annual Surplus/Profits</i>	£8,125
<b><u>Total:</u></b>	<b><u>£8,125</u></b>	<b><u>Total:</u></b>	<b><u>£8,125</u></b>

## 6 SUPPORT REQUESTED BY SC-PC

Fellow Councillors are invited to endorse the following resolution:

The *SC Community Asset Interest Company* as proposed by Cllr. Colin R. Coleman is supported by SC Parish Council as a commendable independent initiative *‘to secure and enhance the preservation status of both the natural and built environment, whilst developing the economic, and social fabric of the whole community’*.

Friday 29<sup>th</sup> January 2021