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Agenda No. 8

www.communityenterprisespl12.co.uk

4 Fore Street, Saltash PL12 6JL

Report to Saltash Town Council: 6 July 2017

I prepared brief up-to-date reports on our general progress and our finances for our AGM in September. I have attached these to this report to bring you fully up to speed, and will happily answer questions at the meeting. The AGM itself was a very enjoyable occasion, graced by a colourful talk from Essanian Neil Gallacher of BBC Spotlight.

I think the really key issues to highlight at this point in time are:

- Our financial position is strong so we have confidence about maintaining and developing our work into the future
- Management and administrative complexity have increased as we have expanded our project portfolio in the last couple of years, and we are having to work hard to strengthen this for the future
- A new business plan for community transport is being prepared as Hopper services also expand in scale and ambition
- We need a range of new volunteers all the time
- The future of NHS care in the town is at a crossroads, and citizens need to be vigilant over new plans: we will try to ensure their voice can be heard

Directors are meeting on October 3, and, if any new issues arise then, I will report verbally at your meeting.

Peter Thistlethwaite

Chair

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September 29 2017

Saltash Gateway CIC – Annual General Meeting, 19 September 2017**Report of Chair**

This is my fourth annual report as Chair. We have had a year of good progress generally in our enterprises, including the incorporation of a new one **Dementia Voice PL12** which is operating a weekly drop-in cafe and a fortnightly veterans group at 4 Fore Street, and also offering training opportunities for the staff of local businesses who wish to be "Dementia Friends". The year has been further enhanced by the arrival of our government-funded minibus a year ago, which has been mainly deployed to set up and run a service from Saltash to Derriford Hospital - a step change for us a company, and not without risk. These have been the most significant developments in the last year

Specific enterprises

4 Fore Street - although market stalls still operate from Thursday to Saturday each week (including our own Fruit and Veg enterprise, and the two monthly Local Produce Markets) there is no doubt that this facility has transformed itself into our operational hub over the last year, especially for booking the bus and sale of **SaltashCards**. We are keen to build up a team of volunteers to keep it open six days a week.

Saltash Hopper - this has been a big year for community transport locally and there has been lots of publicity and media attention. By imaginative management, the Hopper team is managing to break even financially, despite losses on the Derriford Service, where some of our drivers are not volunteers, but hired via an Agency. We are grateful for grant aid to help us in this enterprise.

I will ask members of the Transport Team briefly to highlight their future plans for this enterprise at the meeting.

Volunteering - this is at the core of everything we do, and we keep promoting voluntary work in the town, and offering advice via the hub.

We now badly need someone to lead and direct this service for the future.

Pop Up Shops - in 2015 we undertook to establish and run a scheme to bring vacant premises in Fore Street into use. Only one has been set up, but this has operated well for a year with our support. However, that pop-up business is now on the verge of taking up its own tenancy with the landlord, which we see as a successful outcome. We are always looking to help other potential businesses pop up!

18 Belle Vue Road - this has been a great success so far, with all rooms let, Citizens Advice kept in the town, and the Foodbank brought under one roof there. Last year

we did not know whether it would prove financially viable, but it clearly has. We are investing income back into improvements to the building, as part of our long-term desire to acquire the building from its owner, Cornwall Council. The initial lease expires at the end of November, but we have been told that we can have another two years on the same terms.

Health and Social Care - although this is not an enterprise as such, we try to keep our finger on the pulse of what is happening in the NHS and care services locally, so that we provide a channel for the voice of the citizen. Two Directors are involved with Patient Participation in local surgeries, and also attend East Cornwall Patient meetings. We organised responses in the NHS consultations on future Plans for Cornwall earlier in the year, and are consequently on the group looking at the future of St Barnabas Hospital.

Strategic Priorities 2017/19

Having come to the end of the period of implementation of our former strategic priorities, we reviewed progress and set new ones. We believe this sort of process is essential for an effective and efficient organisation. The resultant statement is available on our website.

We are mainly concerned to sustain the company over time, e.g. by acquiring assets, keeping sound finances, optimising the engagement of the local community in our work, and being responsive to local needs. We have made progress on these but will pursue them further.

As we have grown and developed we have come to realise that our overall governance and administration needs to develop to handle the complexity of tasks and issues that we have created for ourselves. For example, our ambitions for community transport have created new business management challenges; and the addition of new enterprises has increased our workloads across the board. We had already started to employ a bookkeeper two years ago, which brought great benefits in the form of up-to-date financial information; but policies in key areas like Health and Safety, job descriptions, office procedures, and Safeguarding were seen to need greater clarity and authority.

We have set up a Project to remedy this, which we trust will deliver its results during 2017. An independent administrator/business manager has been hired to help with this.

As predicted last year, a problem of tax liability has arisen because of our successful trading. Dealing with this is now a key strategic priority. See the separate Finance Report for details.

Partnerships

I have no doubt that our relationship and easy communication with members and officers of Saltash Town Council, and with our four local County Councillors, is a key element of our capacity to develop as a company.

I personally have kept up the tradition of my predecessor in reporting to each and every Town Council meeting. The encouragement and support of the Council and the Mayors has been much appreciated.

Directors have also participated in other community initiatives and key local collaborations, which we see as an important contribution to the continued health and wellbeing of the town and its surrounding area.

Thanks to our volunteers

We run ourselves almost entirely through the time and effort of a large number of volunteers. All of our Directors devote their own time for the benefit of the company, with some of them taking on massive regular commitments and responsibility. In addition, we have other volunteers deeply engaged in tasks from running the dementia drop-in cafe, driving the buses, keeping our admin ticking over, attending community meetings, etc. I want to thank them all. The town should be grateful and very proud of their efforts.

Peter Thistlethwaite
7 September 2017

Saltash Gateway Community Interest Company**Annual General Meeting 19 September 2017****Finance Report**

1. Our statutory Accounts for the year ending 31 May 2017 have been prepared in draft form prior to submission to Companies House, and have already been circulated to Directors. A copy will also be available for inspection by Members at the AGM. We have enjoyed excellent support from our accountants, Blackwell Bate, and our bookkeeper, Fiona Budd.
2. The accounts reflect the strength of the financial position of the company, which has been reported throughout the year at meetings of Directors. We continue to keep all company overheads to a minimum, but these are not negligible, eg publicity, insurance, administration, maintenance. However, because of the steady income stream from the letting of 18 Belle Vue Road, topped up by smaller surpluses from other enterprises, we have generated a healthy overall surplus this year. Consequently we have been able to add to our reserves - which are held to keep the company going if enterprises run into any difficulties, and to support new initiatives.
3. The caveat here is that we must ring-fence a good part of these reserves: at some point in the next couple of years we may need to find significant money if we are to acquire, as planned, the freehold of 18 Belle Vue Road. We will seek to have this transferred to us at nil cost, but Cornwall Council may well expect acquisition at market price. Our financial management will have to remain subject to this uncertain context.
4. I noted in this report last year that we had begun trading as a company in a significant way – which is what Community Interest Companies were set up by Parliament to do. In the last twelve months this has been taken to a new level by the arrival in September of our new Hopper Bus, which has been used during 2017 to pilot and operate a scheduled service to Derriford Hospital. This was a big financial risk. We received grants totalling £10000 from the s106 Fund to set this up and to underwrite early running costs. This has been supplemented via a grant of £4000 from Cornwall Community Foundation. Nevertheless, the Derriford service has yet to break even. Fortunately, other community transport services provided by our two buses have generated sufficient income to cover the losses. A Business Plan is currently being prepared to take a longer term view of this situation.

5. The downside of this surplus from trading is that we become liable for corporation tax on the surplus. This is somewhat nonsensical given that we operate solely for the good of the community: our Directors are not paid, and there are no dividends for shareholders to off-set the income. We are liable to be taxed simply because of the voluntary effort we put in! Our accountants are helping us to avoid tax in 2016/17 by making provision in the accounts for expenditure we will make improving the building at 18 Belle Vue Road in the current year. But their advice is that we will need charitable status to avoid this tax liability permanently, and we are currently examining how best to do this.
6. Directors have also come to the conclusion that voluntary registration for VAT may give us certain financial advantages, particularly in Transport where many regular outgoings are subject to VAT - which could be reclaimed. Our main income (from Belle Vue) is exempt, so we can hope to exploit the difference.
7. These administrative changes, together with overall company expansion, will of course generate some additional administrative costs in the future.
8. Views of Members would be welcome.

Peter Thistlethwaite
Director
August 31 2017

Agenda No. 14

Saltash s106 overview

October 2017

Waitrose:

Cornwall Council is responsible for this budget and the original budget allocation was £300,000. Taking project underspend into account it is estimated that the budget available is circa £48,000. A budget review is in the process of being finalised and Saltash Town Council and the Saltash s106 panel will be advised of the actual amount available.

The key date for the Waitrose budget is that commitment needs to be achieved by 7th June 2019.

Lidl:

Saltash Town Council is responsible for this budget and the original budget allocation was £200,000. Taking into account all of the projects approved, the commitment currently stands at £208,101.

The key date for the Lidl budget is that commitment needs to be achieved by 20th January 2018.

There are three projects that have either underspent or not spent anything, namely:

Pop up shops – underspend £6,975

Saltash station – underspend £65,500

War memorial – not spent £15,056

It is proposed that these projects are approached and an update sought with regard to the timetable and proposals to utilise the budget allocated. This information can then be reviewed by Saltash TC and the Saltash s106 panel, which will then inform all as to what the actual budget commitment is.

There are also three projects seeking Saltash s106 funding support from the Lidl budget and these projects can only be considered if there is any funding available. These projects have all been informed that they are on hold pending the outcome of the financial review, so it is recommended that these projects are advised that they are to remain on hold until the review has been completed.

It is further recommended that the Lidl s106 is closed to any new requests for support.

Agenda No. 19**Saltash Station Refurbishment Project**

**Project Update
October 2017**

Prepared by Councillor Richard Bickford

Project costs

Surveying Devon and Cornwall were commissioned to carry out a survey and produce a report showing indicative refurbishment costs. The report was carried out on the basis that there was no final design available yet, and the survey should assume a simple refurbishment that provided the essential facilities that the project must deliver, these include toilets and waiting room, along with space for a commercial partner to operate a café. Café 'fit out' is not included and would be carried out at the commercial partners expense.

The estimate of costs is £340,000. The report is attached to this update.

Our target remains nearer £500,000, so that we can achieve a more ambitious project that will deliver a fully sustainable building.

We are further seeking to drive these costs down, and have already been offered a free asbestos survey by a local company, saving a further £1500. We anticipate further offers from local businesses.

Funding update

We have had further discussions with **the Railway Heritage Trust**, and they have provisionally offered to fund '20% of the built heritage elements for those parts of the station that are restored to railway use'. This is obviously subject to a final decision on the design, but is a welcome funding boost.

We are planning to launch a Crowd Funding style campaign in the next few months and are investigating other funding possibilities.

Funding bid status tracker**In place funding**

Cornwall Council	£145,000
Saltash s106	£70,500
AHF	£5,000

From this £15k will be used to develop the project plans

In bid

GWR CCIF	£100,000
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In planning (all approximate and not guaranteed)

Railway Heritage Trust	£20,000-£40,000 (depending on passenger related use)
LEP / OPTSC	unknown
Other (Aviva type)	£25,000
Crowd Funding	£20,000-£40,000

If we were to be awarded the GWR CCIF bid of £100k then STC would have £305,500. We would at that point be short of the projected £340,000 minimum fit-out costs by just £35,000 and remain extremely confident that we bridge that gap, not least through the Railway Heritage Trust. Further, we are confident that we can move towards a £400,000 figure.

More complex discussions with the LEP and other funders may yet see us achieve the £500,000 target, which would give us much more scope to deliver additional benefits to our community.

Project Planning

We are in the process of appointing Options Appraisal consultants, now confirmed as RIO that will work with us, and the local community to provide a sound plan. They will be appointed by mid October.

Further we expect to appoint architects within the next month to work with the Options Appraisal team to refine and finalise the design.

Project Timeline

September 2017

Invite quotes for the Options Appraisal work

Invite quotes for the Architecture work

October 2017

Appoint Options Appraisal consultants

Further funding bid applications

Appoint Architects

Work with Options Appraisal and Architects Team to work up best plan

November 2017

Public Consultation exercise

Options Appraisal completion

December 2017

Submit planning application

Launch Crowd Funding campaign

Invite quotes for architects RIBA stages 4-7

January 2018

Crowd Funding campaign

Appoint architects for RIBA stages 4-7

February 2018

Issue tender for works

March 2018

Appoint contractors

August/September/October 2018

Refurbishment complete
