

**Wath Hall Preservation Society
Business Plan**

Business Name:	Wath Hall Preservation Society Ltd
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1. Summary

- 1.1. WHPS is established as a vehicle for completion of a purchase of the freehold of Wath Hall from Rotherham MBC, as an asset of community value. This is the next stage in a long term plan to enable its development and restoration as a sustainable heritage centre, creative business hub and community facility.
- 1.2. Following on from the purchase WHPS will undertake a limited programme of repairs and improvements to make the majority of the building suitable for use.
- 1.3. Thereafter WHPS intends to let the building on a full repairing and maintaining basis to Wath Hall Ltd, who will manage the building, arranging for occupation under license mainly by small creative businesses and sessional hire of rooms by community enterprises, and community service providers.
- 1.4. WHPS will continue to seek additional resources to progress the restoration and sympathetic development of the Hall in phases towards the goal established in the WHL Architectural Heritage Fund Project Viability Report
- 1.5. WHPS is formed as a Community Benefit Society to enable it to raise capital by the issue of community shares and will seek recognition by HMRC as an exempt charity.
- 1.6. This plan seeks to set out the proposals for initial investment in acquisition and repair and the subsequent sustainable operation of the Hall towards a second phase of restoration.

2. Introduction

Wath Hall Preservation Society has been formed as a single purpose vehicle charity to preserve, enhance and develop Wath Hall, a Grade 2 listed former manor house, as an asset for the community of Wath Upon Dearne. The Hall is owned by Rotherham MBC and was last used as their area office. Wath Hall Ltd has been operating the building under short term arrangements with RMBC pending its sale to community ownership. This plan provides in detail the business case for ownership following acquisition and draws upon the separate business plan of WHL, whose tenure as tenants of the Hall will form the basis for income projections.

2.1. Mission statement

WHPS will hold the property that is Wath Hall as a sustainable asset for the community, enabling its conservation, restoration and development.

2.2. Values

WHPS believes that

- Wath Hall should have a long term future at the heart of the town.
- Knowledge and understanding of local heritage can add value to modern life

2.3. Key Objectives

- 2.3.1. Securing the freehold of the Hall to community ownership
- 2.3.2. Undertaking urgent repairs to secure it from further dilapidation and enable its immediate occupancy.
- 2.3.3. Undertaking a limited programme of alterations and improvements to increase the potential revenues from the proposed uses.
- 2.3.4. Establishing a full repairing and maintaining lease of the building in favour of Wath Hall Ltd as operators and manager of the facility on terms that will allow sustainable development.
- 2.3.5. Developing the long term strategy for full restoration , development and sustainable occupation of the building including securing of finance for investment in its future.

2.4. Key Actions

- 2.4.1. Securing the capital funds necessary for the purchase, which will include sums to cover costs and initial essential repairs. This will be achieved by a mixture of grants, loans and a community share offer.
- 2.4.2. Undertaking a programme of urgent repairs and minor improvements to return the majority of the property to a usable condition
- 2.4.3. Completing the lease with Wath Hall Ltd enabling their continued occupation of the building on appropriate terms.
- 2.4.4. Continuing the preparation of detailed plans for long term conservation, renovation and development of the Hall as a heritage centre and community and business hub, including continuing engagement of and consultation with relevant stakeholders in the community.

3. The Property

- 3.1. Wath Upon Dearne is a small town located in the Metropolitan Borough of Rotherham in South Yorkshire. The 2011 Census highlights that 11,816 residents live in the Wath ward from 5,014 households. 64.8% of homes within the ward are owner occupied, 24.5% are social housing and 10.7% are privately rented.
- 3.2. Wath is home to a number of historical points of interest such as its pottery production both at Newhill and the world famous Rockingham Pottery in Swinton. Until the mid-19th Century the ward was also home to a racecourse of regional importance. It is also near to the major heritage sites of Wentworth Woodhouse, Conisbrough Castle and Elsecar Heritage Centre, as well as the RSPB reserve at Old Moor.
- 3.3. Wath has a strong industrial background both in coal mining and the railway industry. It is also home to a significant number of listed buildings and the central area of the town is designated as a conservation area. Today the Town is centred around Montgomery Square where the main shops and services are located which is a short walking distance from Wath Hall.
- 3.4. The ward has some excellent community facilities offering services and entertainment opportunities to residents of the ward. Community events are important in the ward with the annual May Day Music Festival, Wath Gala and Christmas Lights. The town still hosts a weekly market in Montgomery Square, which has the bus station and library adjacent.
- 3.5. A number of the event venues are located just off Montgomery Square around Wath Hall, which sits attractively sited with a wooded area to the south and the town green to the north, with the Anglican parish and Methodist churches nearby and the Montgomery Community Hall adjacent, with a small car park serving them all and the town centre.
- 3.6. The CEO of Wentworth Woodhouse Preservation Trust has been consulted and supports the WHL proposal which she hopes would form part of an area wide consortium of heritage

tourism assets, led by Wentworth and Elsecar Heritage Centre to promote a significant cultural and heritage tourism offering.

- 3.7. The main church hall of the Methodist church has recently been offered for sale, so may be at risk of loss as a community facility. The former college building next to Montgomery Hall is understood to have been sold with a view to a residential conversion from previous educational use. This emphasises the importance of retaining and enhancing the provision of community facilities in the area, as highlighted in the Town Plan.
 - 3.8. The Hall comprises a Grade 2 listed former Georgian mansion over 2 floors with a small basement. Externally it has a number of Victorian features such as a parapet and neoclassical portico but continues to present an attractive heritage outlook despite a few modern changes to fenestration etc. Internally most of the period features were concealed behind 20th century finishes, particularly where the room configurations have been adapted to office use. Most significantly, explorations have revealed much art deco plasterwork and a former circular skylight over what was the former council chamber, dating from the 1920s. Most of this part of the building is not in a condition for use.
 - 3.9. At the east side of the mansion is a single storey office building from the 1960s, which, although dated, is in reasonable condition. It accommodates around 10 usable office spaces with a reception area and two service counters, with a 3 room consulting suite. It has a separate entrance and a corridor connection to the Mansion.
 - 3.10. The grounds of the Hall included in the sale provide around 12 car parking spaces accessible through the public car park to the south. A wooded area adjacent provides a framework for the entrance and unites it with the parish church to the west. To the north the town green is an expanse of grass with a border of mature trees which is required to be maintained as an open access public space, both for its general amenity value and as a venue for certain established community events through the year.
 - 3.11. To enable the property to commence function it is essential that some repairs and improvements are carried out. The central heating boiler is not functioning and needs to be replaced. Some testing and remedial works to the electrical and alarm systems are needed.
 - 3.12. It is also planned to undertake some reconfiguration of rooms in the 1960s building to improve their functionality, removing the service counters and changing internal wall arrangements. Following this there will be around 10 lettable spaces in the 1960s building and a further 5 in the ground floor of the mansion. A further 3 rooms will be usable in the first floor of the mansion, although with limited access by staircase only. 4 further rooms in the first floor will be closed to use pending the next stage of restoration.
 - 3.13. Subject to further detailed planning and available funds, the next stage of restoration is likely to comprise the opening up and restoration of the former Council chamber as a heritage inspired function room. Uncovering and repairing art deco period plasterwork and the restoration of the glazed roof dome and wooden floors will create an attractive and unique space. This will also require the upgrading of toilet and fire escape provision to the first floor and a disabled access lift, if it is reasonable to do so.
 - 3.14. After that, restoration work is likely to include refenestration of the west elevation, restoration of room sizes and period detail in the ground floor of the mansion and fitting out of a local history resource centre.
 - 3.15. At each stage, WHPS will seek a renegotiation of the lease terms with WHL to reflect the investment in the property and its future sustainability.
4. Markets
- 4.1. The details of markets for the spaces planned in the property are covered in the business plan for WHL, for which considerable research has been undertaken.

- 4.2. WHL will operate independently of WHPS as the tenant of the whole of the property,, but sharing its objectives and ambitions within the agreed Project Viability Plan
- 4.3. The development of the business of WHL is expected to provide a growing return for WHPS without jeopardising the sustainability of WHL.
- 4.4. In recent years WHL has undertaken a substantial programme of community consultation and engagement in order to underpin its development of long term proposals for the future of the Hall. This has included public events, exhibitions and coffee mornings. In late 2018 a public meeting to discuss the proposals attracted about 80 attenders with an overwhelming majority in support of a share offer.
- 4.5. As part of a process to secure funding for the purchase and improvement works to Wath Hall, Wath Hall Preservation Society are proposing a community share offer to potential stakeholders across a number of sectors. The promotion of this offer will be through a range of activities targeted at different constituencies, as set out below.

Target/delivery	Messages
General Public in Wath	
Press releases Local press advertising and features Poster and flyer campaigns 2 Public events Social media campaign	Wath Hall is an important civic Amenity with big heritage value WHPS will ensure its future as a local landmark Local people can buy a share of its ownership Community shares can raise the funds needed to secure the future of the hall
Existing supporters and contacts	
Direct email/mail shots Invited meeting Social media	Local people can buy a share of the Hall's ownership Community shares can raise the funds needed to secure the future of the hall There is a sustainable long term plan for the Hall
High Net Worth Individuals and Corporates	
Direct personal contact of Directors Mail and email Invited meetings	Wath Hall is a valuable heritage economic and community asset. WHPS will be a responsible custodian with a sustainable long term development plan
National Heritage Contacts	
Press advertising and features Heritage Trust Network members Other networks. Social media	Heritage value of the Hall is at risk. Future plans for conservation restoration and development are sustainable and value the heritage of the Hall

5. Organisation

5.1. Ownership, legal structure and Governance

5.1.1. WHPS is a Community Benefit Society, registered with the Financial Conduct Authority.

Director/Trustees are volunteers drawn from the local community and bring a range of skills and experience relevant to the business.

5.1.2. WHPS will be registered with HMRC as an exempt charity, but will still be able to issue withdrawable shares to its members. This share issue is expected to provide the bulk of the capital needed to acquire the property and undertake initial repair and improvement.

5.2. The shareholder members of the Society will elect the future Directors through Annual General Meetings.

5.3. As an exempt charity, the activities of WHPS will be restricted to those falling within its charitable purpose and any assets created will be applied only to that purpose, as regulated by the FCA.

5.4. Founder Directors / Trustees

5.4.1. Alan Sherriff is a prominent local business and community leader with experience across business, public service and community backgrounds

5.4.2. Steve Bradwell is a local builder with experience of heritage buildings.

5.4.3. Ruth Parkin of The Accounting and Bookkeeping Company Limited also acts a Society Secretary

5.5. Staff

5.5.1. Future development work will be achieved by securing additional grant funding for the purchase of relevant professional services.

5.5.2. A part time development worker will be engaged to help develop new activities in the Hall alongside the progression of the plans and funding for the next restoration/development phase, if development reserve funds or grants are available. The post will also continue the community engagement and consultation programme, with particular reference to shareholder members of WHPS. This post will be answerable directly to the Board and engaged on short term contract basis, subject to renewal and availability of funding.

5.5.3. Part of the development worker role will be to continue the involvement of community volunteers in the public promotion of the hall and consultation work. Local businesses have in the past provided goods and services to support the repair and renovation of the Hall and this is expected to continue.

6. Finance

6.1. Income costs are projected by the WHL Business Plan, which predicts their operating costs and a growth of occupancy and usage of the Hall by hirers and licensees, all based on use of the building as it stands after purchase and initial repair and alteration. No additional projection is made for revenue potential after future stages of restoration.

6.2. Rent will be payable by WHL sufficient to meet WHPS finance costs and continuing overheads.

6.3. Investment Required

6.3.1. Finance required for capital investment is profiled below, based on the heads of terms for sale agreed with Rotherham MBC based on a property valuation undertaken for WHL by local agents, Burgess Commercial. Survey, design and estimating work undertaken by Conservation Architects, Walker Cunningham and Quantity Surveyors IWSA Ltd has been used to prepare the budget for essential repairs and improvements.

	Minimum target	Optimum	Maximum target
Purchase price	135 000	135 000	135 000
Professional fees	4 000	4 000	4 000
Essential Repairs	41 000	41 000	41 000
Internal improvements	0	20 000	25 000
Development reserve fund	0	10 000	15 000
Total	180 000	210 000	220 000

6.4. Sources Of Finance

- 6.4.1. WHL has been successful in securing grants sufficient to meet the development costs of securing the above capital budget, from The Community Shares Booster programme, so they have not been included above.
- 6.4.2. WHPS is undertaking a Community Share offer to raise the bulk of the capital required. It expects the Booster Programme to match any share sold with a purchase of shares of equal value up to £100,000. The minimum amount of capital that would allow the purchase to proceed is £180,000, and the maximum amount beyond which the share offer would close would be £220,000
- 6.4.3. Pledges of £60,000 towards the purchase cost have already been made by philanthropic individuals and corporates.
- 6.4.4. Provision is being sought for a small loan to be available if the minimum target fails to be reached

6.5. VAT

WHPS will register for VAT and expects to recover the VAT on capital expenditure incurred during the early repair phase and future grant funded restoration phases. It is understood that WHL will not be registered for VAT and will have to pay VAT on any rent payments made to WHPS.

6.6. Financial forecasts

- 6.6.1. The financial sustainability depends upon the performance of WHL as the occupying tenant. Their revenues account forecast for the first 3 years is set out opposite. It projects occupancy levels on rooms occupied under license or let on sessional rates, based on the expressions of interest already received and hire/rent rates informed by professional advice and local market research.

The charity expects to secure 100% rate relief so the Rent allowance can all be paid direct to WHPS as its main source of annual revenue income. This will include non recoverable VAT so the net amounts receivable by WHPS will be proportionately less.

WHPS will charge a rent that is affordable for WHL to support its growth and sustainability as a business.

	year		
	1	2	3
Income			
Office licenses	14850	20000	23000
Hire charges	2467	6000	7000
Grants			
Total	17317	26000	30000
Revenue Expenditure			
Staff	3600	8000	8000
Insurance	2400	2400	2400
Utilities	2052	2100	2300
Internet	360	400	400
Cleaning	2400	2400	2400
Materials	240	240	240
Water	420	420	420
Rent/rates	3000	6000	8000
Letting costs	600	600	400
Office Costs	600	800	800
Fees	1200	1200	1200
Repairs	1200	1200	1200
Total	18072	25760	27760
Revenue surplus	-755	240	2240
cash flow		-515	1725

6.6.2. The revenues account for WHPS is therefore predicted to be as follows

The large part of the capital raise by the share offer is to be expended in the initial purchase and repair of the building in Year 1.

The balance will create a Development Fund and is expected to lever further grants to fund the development worker and professional costs of further research, planning, design and development in order to secure resources for the next stage of restoration.

Most of the administration functions, which should be light, are expected to be undertaken by volunteer directors, although there may be some costs attached to professional services and promotions or providing investor information. Insurance costs are included in the WHL plan and accountancy services will, to some extent, be pro bono. Trading through rent receipts is therefore expected to provide an early surplus to offset development fund spend.

Wath Hall Ltd			
Budget			
	Total	year	
	1	2	3
Capital Funds			
Income			
Share Offer Allocation	205000		
Expenditure			
Purchase	135000		
Repairs and improvement	70000		
Reserve	0		
Development Funds			
Income			
Share Offer Allocation	15000		
Grants	5000	20000	10000
Expenditure			
project development staff	11550	10000	2000
professional fees	4000	12000	8000
Reserve	4450	-2000	0
Trading Funds			
Income			
Tenants Rent	2500	5000	7000
Expenditure			
Administration	500	500	500
Reserve	2000	4500	6500
Total Reserves			
Contribution to reserves	6450	2500	6500
share interest			2000
Accumulated funds	6450	8950	13450

At a point, projected to be year 3, where the second phase of restoration is ready to proceed, surpluses of rental income over overheads would be used to create a reserve to allow share withdrawal or the payment of interest to Members. There should also be a significant change in the WHL business profile and therefore rent payable, depending on what can be achieved with that further development.

In a circumstance where second phase restoration is not achievable within this timescale, surpluses might need to be allocated to further phased development work, which would limit possibilities for withdrawal and interest payments and a second share issue to raise development capital might be considered.

6.6.3. Cash Flow

A detailed cash flow statement for year 1 demonstrates that the working capital reserved from the share offer will be adequate to meet early cash requirements.

Wath Hall Preservation Society														
Cash Flow														
month														
	1	2	3	4	5	6	7	8	9	10	11	12	Total	
	£	£	£	£	£	£	£	£	£	£	£	£	£	
Cash In														
Start Up Capital	220000												220000	
Development Grants						3000			2000				5000	
Rental Income								500	500	500	500	500	2500	
Output VAT								100	100	100	100	100	500	
Recovered VAT				9330			3910				330		13570	
Total	220000	0	0	9330	0	3000	3910	600	2600	930	600	600	241570	
Cash Out														
Purchase	135000												135000	
Capital Works														
Purchase fees		3000	1000										4000	
Property Repairs		15000	22000										37000	
Improvement works			6000	6000	5000	5000							22000	
Repair/Improvement fees		1800	1800	1700	1700								7000	
Development														
Staff costs		1050	1050	1050	1050	1050	1050	1050	1050	1050	1050	1050	11550	
Costs							500	1000	1000	500	500	500	4000	
Professional fees														
Overheads			50	50	50	50	50	50	50	50	50	50	500	
Admin expenses														
Input VAT		3360	5970	1550	1350	1010	110	210	210	110	110	110	14100	
VAT paid														
Total	135000	24210	37870	10350	9150	7110	1710	2310	2310	1710	1710	1710	235150	
Cash Reserve	85000	60790	22920	21900	12750	8640	10840	9130	9420	8640	7530	6420		

6.6.4. Balance Sheet

The initial capital investment requirement of £220k proposed will, at year 1, create a fixed asset value less than the invested sum, the completed building value being around £195k after repairs and alterations. This represents an unsecured risk to investors, should the business fail subsequently.

Fixed asset value is expected to rise substantially in the second phase after investment of further grant funding in the renovations

Wath Hall Preservation Society			
Balance Sheet			
	End of Year		
	1	2	3
Fixed Asset (revalued)	195,000	195,000	195,000
Net current assets (working capital)	6,450	8,950	13,450
Current liabilities	500	500	500
Total assets less liabilities	200,950	203,450	207,950
<i>represented by:</i>			
Share capital	220,000	220,000	220,000
Revenue Account	- 19,050	- 16,550	- 12,050
Total capital & reserves	200,950	203,450	207,950

7. Risk Analysis

Risk	probability	impact	mitigation
RMBC fails to complete	low	high	Halt share offer and continue to campaign for community sale
RMBC sells to a third community party	low	high	Halt share offer and seek negotiations with third party on future collaboration
RMBC sells to a third commercial party	low	high	Halt share offer and repay shareholders
Share offer fails to meet minimum target	medium	medium	Seek investment by philanthropic backers and Booster programme. Finalise loan agreement to make up shortage. Advise investors of likely delay in future share interest payments
Repair works costs exceeds budget	low	medium	Reduce scope of alteration works to reserve funds for essential repairs. Seek additional grant funding for repairs and improvements
WHL business slow in growth and cannot afford projected rental levels	high	low	Agree lower rental and delay share interest payments
Failure to attract development grants for next phase of development	medium	low	Delay second phase of development. Consider a further share offer
Shareholders seek withdrawal of investment	low	low	Re-open share offer for replacement investors
Further urgent repairs required as a result of dilapidations	low	medium	Seek one off small grant funds for repair
WHL tenancy business collapses and no replacement identifiable	low	high	Sell the building and pay off shareholders with proceeds of sale

8. SWOT Analysis

Strengths

Locally rooted initiative with a record of community engagement through WHL.

Well researched history and heritage significance

A clear future development strategy, evidenced in the AHF Project Viability Report

Positive relationships with other community level organisations

Volunteer resources identified

Public support for the project and the preservation of the Hall and its grounds

Support from national and regional agencies

- Heritage Trust Network
- Social Investment Business
- Community Shares Unit
- Co-operatives UK
- Locality
- The Key Fund

Market research for proposed uses and identification of immediate demand
 Experience and skills of promoters
 Attractive setting of the Hall close to Town centre and transport hub, with dedicated and public parking nearby.
 Facility proposed complimentary to other cultural spaces nearby
 Registered as an Asset of Community Value
 Heritage value recognised by Grade 2 Listing
 Previous success in using the Hall as a venue for community and cultural events

Weaknesses

Issue	Mitigation
Untested market for cultural businesses	Early marketing of spaces to let under license
Uncertainty over future repair costs and possible rate of dilapidations	Make provision in operating budget for future repair costs and seek additional grant funds for maintenance
Liability and costs of maintenance of public spaces in the grounds	Mobilise volunteers and corporate donations in kind
Dated business accommodation	Seek funding for improvement works
New enterprise may need an extended start up period	Support with development staff activity
Unfamiliarity with community share offers leading to lack of local investment	Detailed information to be available and opportunities for live questioning meetings. Use examples of other offers. Inspire confidence with disclosure of early successes in attracting shareholders.
Conflict with facilities offered elsewhere in the town	Seek to work in partnership with other venues on promotions and avoidance of duplication.
Lack of access to and use of upstairs in the Mansion	Offer accompanied visits to interested people and bring forward second phase development as soon as possible.

Opportunities

Contacts with Wentworth Woodhouse present possible joint promotions strategy for the district's heritage assets.
 Promotion to a wider heritage audience through the Heritage Trust Network
 Security of tenure will open up possibilities of attracting other grant funding investment.
 An early use of Community Share Funding for a heritage asset should create interest
 Commitment of philanthropic investors to inspire confidence in others.
 Offer of flexible terms to small "move on" businesses and benefits of co-location with others and the long term plans for the Hall's development
 Relaunch of Heritage Lottery Funds present early chances of raising stage 2 capital needed
 Communication of the rich resources of local history to generate interest
 Creating and supporting local employment and volunteering opportunities
 Collaborations with other local community organisations on new initiatives e.g. Citizen's Advice, Credit Union, WEA

Threats

Issue	Mitigation
Inability to attract suitable tenants/hirers	Review license terms and increase promotional activity Seek development funds to trial and install new community activities Improve quality of accommodation
WHL tenancy not sustainable	Seek replacement tenant or assume centre operation by WHPS
Inability to secure second stage funding	Look at a slower development in smaller pieces, concentrating on improvements that will increase revenues.
Shareholders seeking to withdraw investment when insufficient reserves available	Re-open share offer Investigate possible mortgage finance
General economic uncertainty	Reduce speed of development plans
Loss of interest in volunteers	Reinvigorate with refreshed development proposals
Competition from other local venues	Seek collaborative working to mutual benefit.