

Interim Business Plan
The Crystal Palace Community Trust (“CPCDT”)
Anerley Town Hall (“ATH”)
(Updated) January 2015



CPCDT’s “Mission” at Anerley Town Hall

To provide services and facilities for local people, groups and businesses to use in an accessible, affordable, safe and enjoyable way that enables them to thrive socially and economically and that ensures Anerley Town Hall remains a vibrant, valued and well used asset in Anerley for years to come.

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1. Purpose of the document

To provide a clear, realistic and concise overview of the opportunities and challenges facing CPCDT if it is to retain and increase its presence in Anerley Town Hall, in the London borough of Bromley, for the benefit of the local community and local economy.

2. Context

CPCDT has an “over-arching” strategic plan (2014) that sets out the trust’s aims, ambitions, ethos and how CPCDT sees itself striving to fulfil its mission of “enabling the communities of Crystal Palace and surrounding areas to play an active part in the regeneration of their neighbourhood” It is a broad document and leaves space for separate more detailed business plans for our 2 current significant and geographically separate projects. Anerley Town Hall (ATH), Anerley Road, Anerley (Bromley) and the Kingswood Community Shop (KCS) Kingswood Estate (Southwark). The latter already has its own business plan, last updated in 2013.

3. Executive Summary

See [“Conclusion”](#) on page 20

4. History of CPCDT

CPCDT has been established for over 10 years (2004) and has for all of that time been managing Anerley Town Hall's business centre and community space on behalf of Bromley Council. It oversaw the capital element (£365k) of the Kingswood Community Shop Project (“KCS”) from 2008 and its successful launch and operations since 2010

Whilst CPCDT has a 5 borough remit (Bromley, Croydon, Lambeth, Southwark and Lewisham) focused on a mile or so radius from Crystal Palace, this (ATH) is its most significant and important project. CPCDT was set up out of the remains of the 5 year SRB funding that was overseen by Bromley Council, and Anerley Town Hall has been its base since its inception, ensuring regenerative work envisaged into the future has a strong Bromley presence.

5. The current Position (Dec 14)

CPCDT’s current position is that it remains managing 28% of the building, the community hall space (and enjoying the rental income), managing the 48% business centre on behalf of Bromley Council, who collect the associated income, and who pay CPCDT a £50k pa management fee, and may shortly (2015?) be given the recently (Aug 14) vacated library space to utilise on a temporary basis whilst the building’s long term future is determined. CPCDT pays Bromley council for its proportion of building running costs for the areas from which it takes income. CPCDT also enjoys as manager of the building rent free space from which to function. At the moment there is only a “tenancy at will” and a “gentleman’s agreement” of being given 6 months notice to terminate this arrangement.

The building has, over the last few years, been lacking in investment, believed mainly due to the uncertainty of it beyond the relocation of the public library to a new one in nearby Penge. It has also suffered from visible subsidence for in excess of 5 years and this has yet to be addressed by Bromley Council who currently have responsibility for the building’s physical state and upkeep.



We have declared our interest to Bromley of taking on the building, subject to it being in such a condition that we felt confident of being able to use it in a way that would enable us to generate enough usage and associated income to “balance the books” whilst fulfilling our contractual commitments to keep the building in good order. We have had ongoing dialogue with Bromley council officers (for circa 2 years) and a proposal to give CPCDT the building to manage in its entirety on a circa 40 year, rent free, but full repairing lease has been deemed one they are prepared to recommend to the council executive, subject to certain conditions being met (primarily the agreement of how much they would need to invest to bring the building up to the standard at which CPCDT could realistically consider taking it on)

The building (the community hall space and ex library, but not the business centre) was **part listed as an “Asset of Community Value” on 03/10/14** and this will give CPCDT the opportunity to bid to purchase the land or buildings, should it be offered for sale although

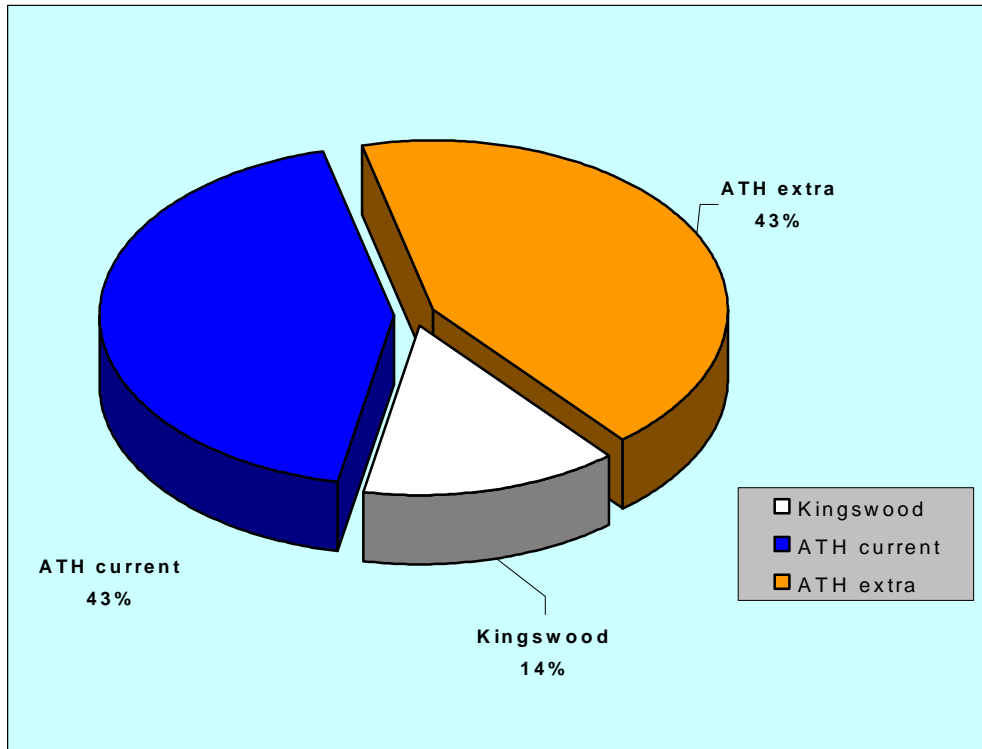
not necessarily the 6 month moratorium usually afforded to fully listed buildings. An application for £52k feasibility funds to further explore the physical elements of the project was made in September but was turned down (Dec 14) on the grounds of over-subscribing, and potentially in light of the building only being part-listed as an ACV

If such a scenario panned out that the building was marketed and CPCDT wished to bid for it, the table below shows what the annual (12 x monthly) repayments would be to pay off a loan of £1 Million and the 4% for 10 years figure is highlighted as an example. An adjustment of 1/10th can therefore be made for each £100,000 variation i.e. 10 years on 4% for £600,000 would be £121.5k – (4 x £12.1k) = £73.1k.

Based on £1,000,000

Years / Interest Rate	2%	3%	4%	5%	6%
5	-£210,333	-£215,624	-£220,998	-£226,455	-£231,994
10	-£110,416	-£115,873	-£121,494	-£127,279	-£133,225
15	-£77,221	-£82,870	-£88,763	-£94,895	-£101,263
20	-£60,706	-£66,552	-£72,718	-£79,195	-£85,972
25	-£50,863	-£56,905	-£63,340	-£70,151	-£77,316

The ATH project in broad terms (income vs expenditure) represents 75% of what CPCDT currently does, with KCS being the other 25%. The likelihood is that the changes proposed would double CPCDT’s financial commitment to the ATH project and therefore change its proportion of the overall business to circa 85%, as shown in the chart below.



6. Bromley Council's Commitment

Bromley council have published (2014) their "Local Plan" outlining their commitments to local individuals businesses and communities. Under Section 6, "Communities" it details;

"6.1 Community Facilities

The council will promote the quality of life and the health and well being of those living and working in the Borough and engage with providers and agencies to ensure the provision, enhancement and retention of a wide range of appropriate social infrastructure, including facilities for health and education; recreation, sports and play facilities, places of worship and venues for culture and social activities.....

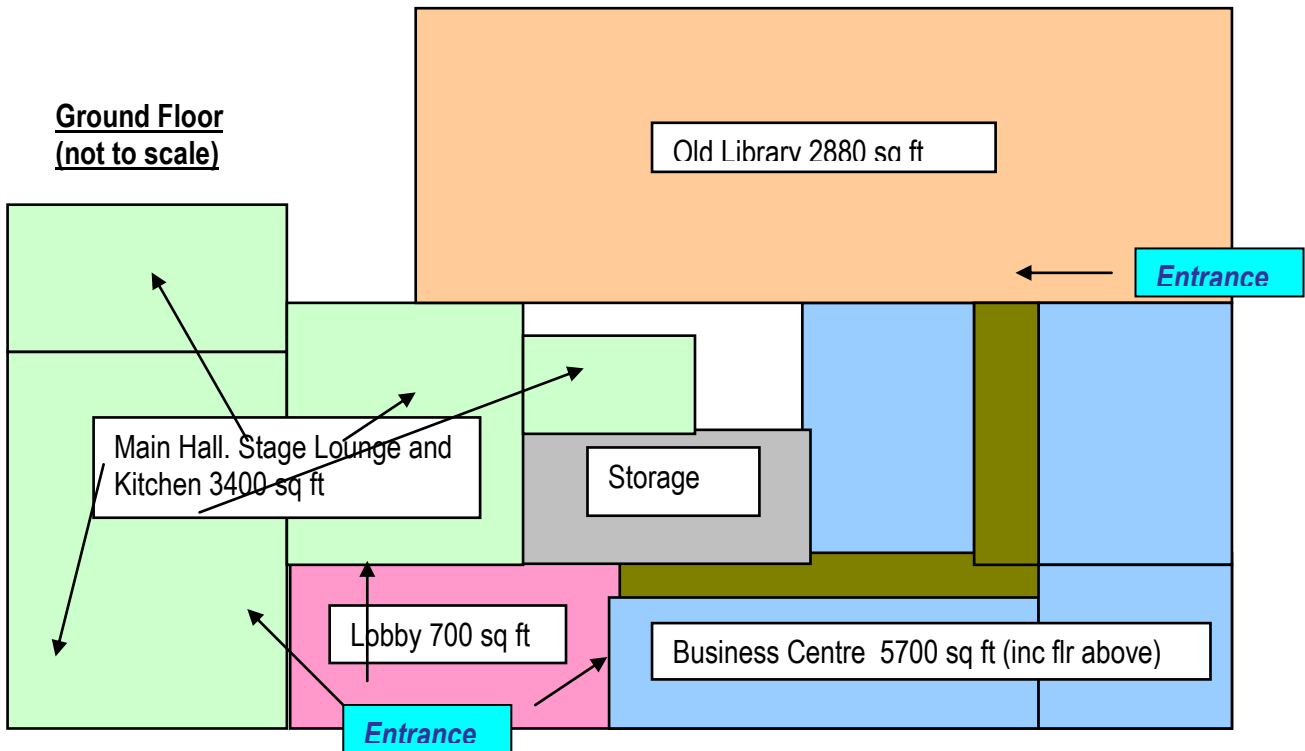
6.2 Opportunities for Community Facilities

The Council will support the maximisation of opportunities for the enhancement or the creation of social infrastructure, Address the needs of existing and future residents of all ages, particularly in renewal areas and more accessible locations such as retail centres and existing retail frontages by:

- i. allowing the temporary use of vacant buildings as community facilities,*
- ii. enabling community uses in Town and District secondary frontages, neighbourhood local centres and local shopping parades,*
- iii. encouraging the development of community "hubs" providing a range of social infrastructure on accessible existing community sites or in local centres or within new major developments,*
- iv. supporting the provision and enhancement of sports and recreational facilities, especially where there are recognised deficiencies or where they present a tool for renewal and regeneration,.encouraging the cultural and leisure use of the public realm"*

In the context of the above CPCDT hope that Bromley Council will fulfil these aspirations of investing in its local communities, and particularly an existing council building currently serving its residents in one of the less affluent districts

7. The Building



The building has 3 distinct sections;

- the business centre (in blue), which houses 28 offices and 69 workstations covering 4,500 sq ft in an overall internal space of 5,700 sq ft. The business centre extends to the first floor above its ground floor footprint and additionally (approximately) above the lobby and storage areas marked above
- the community halls (in green), comprising a main hall and stage, separately accessible lounge and an adjacent kitchen, comprising 3,400 sq ft

The above 2 areas are accessed separately from a shared lobby (in pink), 700 sq ft

- what was up until Aug 14 the Anerley public library (2,800 sq ft), which has its own separate entrance to the right side (north) of the building

Anerley Town Hall has been a building in the public realm since 1878 and was extended in 1923 to include what is now the vacated library space. It is locally listed and a building of architectural merit that lights up the Anerley street scene. It is pivotal building to Anerley, one of Bromley's less affluent districts, and is for many the first noticeable feature they come across in Bromley if they travel south through London

As well as the building's physical presence and appeal detailed above the function of the building, which has changed over the years, has in the main been one of serving local residents, community groups and small local businesses.

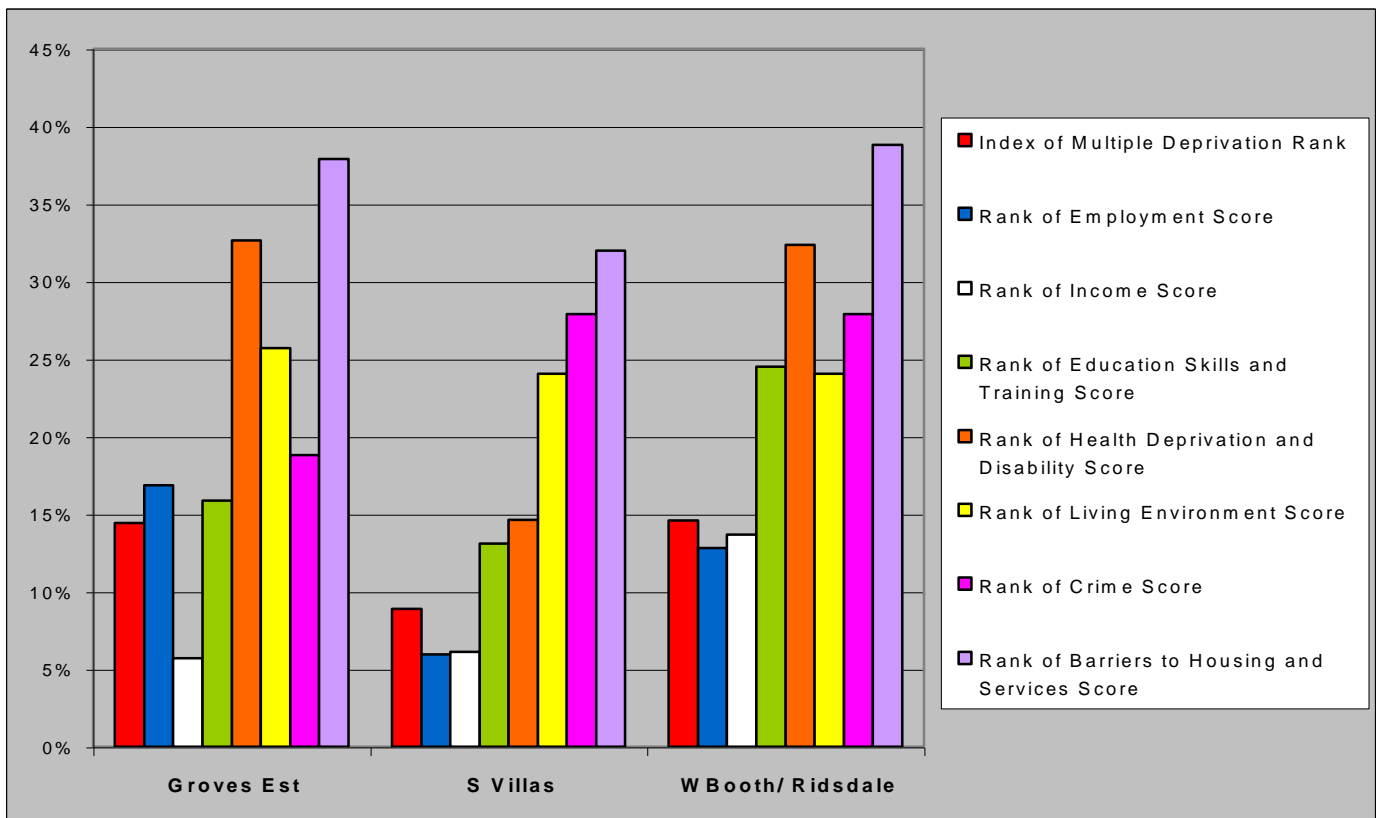
8. Demonstrating the Community Need

The most compelling argument for the building's need is the historical record of usage. It is estimated that there were over 40,000 visits to services provided from the community space in the last year, representing 1,000 different sessions, alongside an average take up of the business centre representing 57% of the maximum, despite the building lacking investment in its fabric and

infrastructure, which has made it look tired and uncared for, not to mention the large cracks in offices and general areas that would most likely put off new business and worry existing. With regard to the vacant library space, a petition was signed to retain its presence in ATH by circa 800 local people and LB Bromley are to provide a reduced book order service and public accessible / free to use IT suite offer (8 terminals) from what is a vacant part of the business centre..

The demography of the area

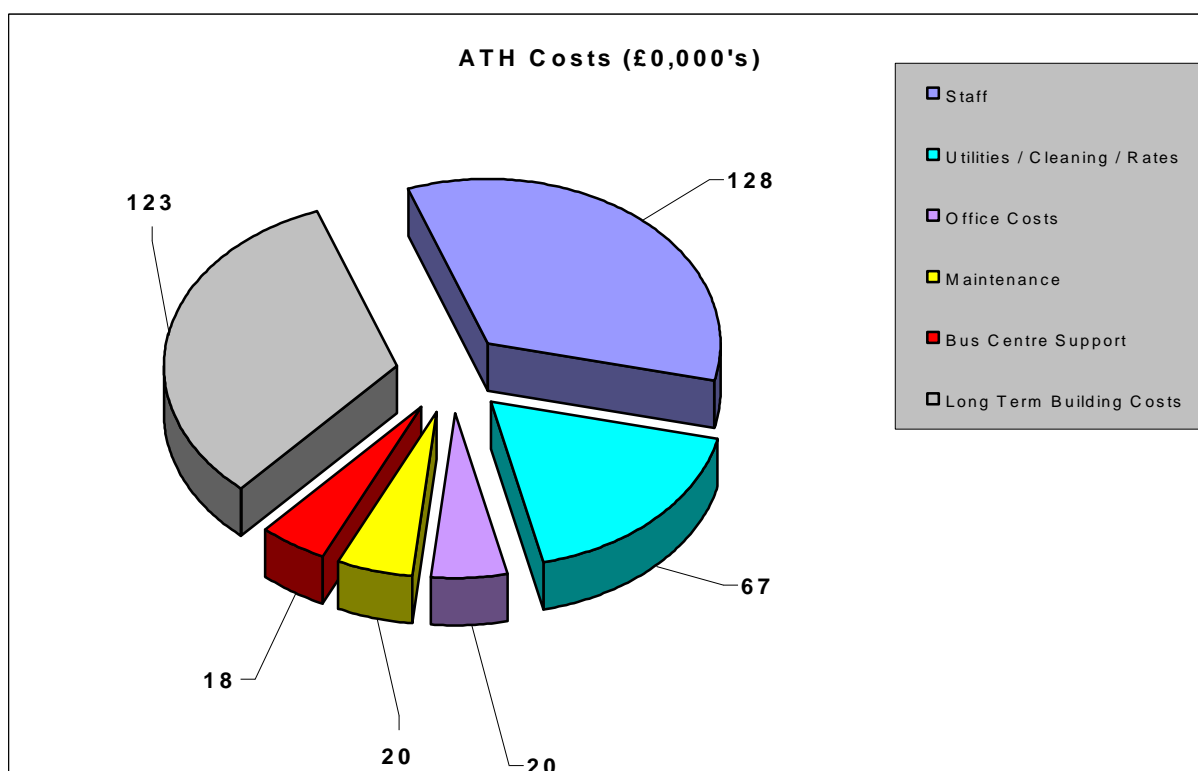
Detailed below is a table of ONS statistics (2011) showing the 3 (“super output”) areas immediately surrounding Anerley Town Hall, They represent 3 of the most deprived areas of both Crystal Palace, and the borough of Bromley. All 3 have employment (blue), income (white) and education skills (green) as their most negative features.



The analysis of the ethnic mix for the 7 Crystal Palace wards show that it has become more diverse, with black/mixed race people now making up 33% of the population (2011 census) compared to 23% (2001 census). This current (2011) 33% figure compares to a London average of 18%. CPCDT has a proven track record of attracting people from ethnic minorities into its activities (e.g. 67% of attendees to the Youth Club and Art Classes were registered as black or mixed race - 2012) and we will continue to aim to provide services that reach out and appeal to all sections of the local community.

More work needs to be done to understand the needs and changing needs of small local businesses and what CPCDT c/o ATH can do to meet these, and indeed how the other parts of the building could potentially link in with this (training area, conference facilities, creative workspaces etc). Additionally CPCDT will need to further assess the market and competition to see how other nearby alternative venues are approaching attracting and retaining custom, through marketing, pricing, facilities on offer etc, and then how well they are doing

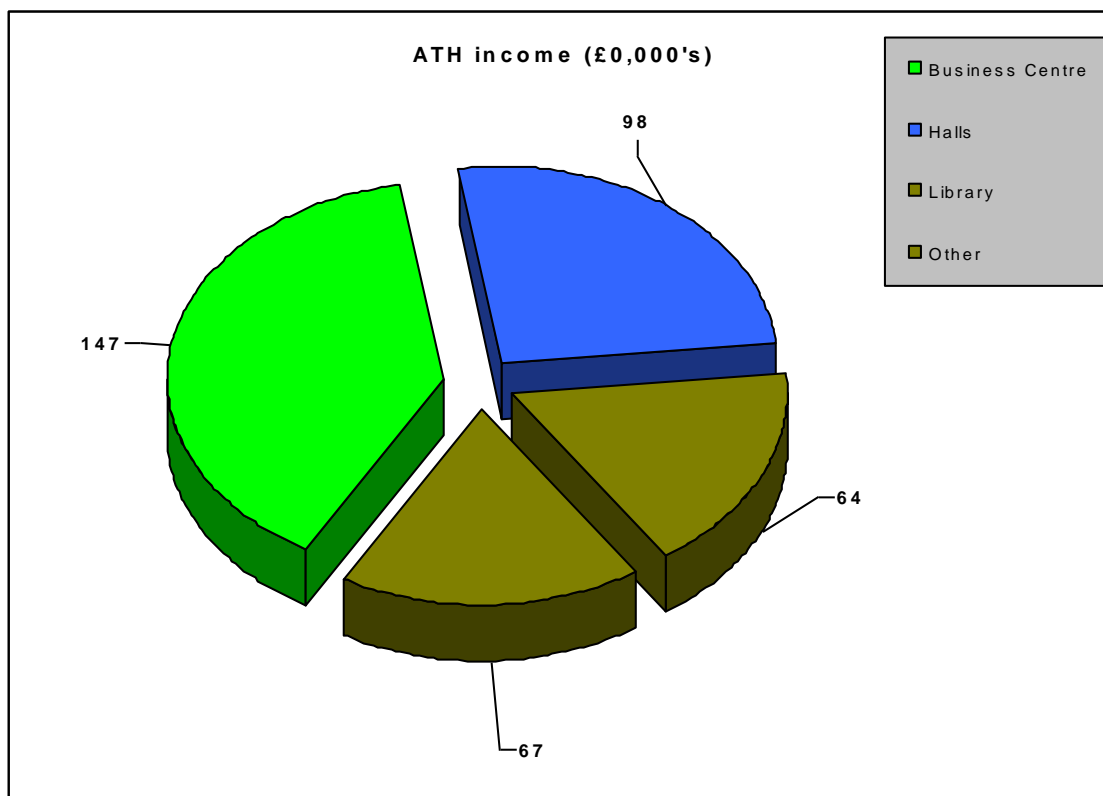
9. Costing / Income Model



The above costs total **£376k** pa, and are an estimation of the likely costs for running the building in the scenario stated previously. Certain assumptions have been made as follows:

- Staff** – this allows for the cost of existing staff whose work is primarily focused on running ATH. (Trust Manager (1 fte) , Reception / Admin (1.2 fte), Caretakers (equiv of 1.6 fte) and ad hoc project staff. It does not allow for the Youth Club staff or The Trust Development Manager, both of which are essentially grant dependent. It also allows for an **extra £25k** resource
- Utilities, Cleaning etc** - these figures have been calculated based on what we are currently recharged for the proportion of the building we take income from
- Office Costs** – these are as current for CPCDT and covers such things as stationary, telephones, IT maintenance, equipment purchase, audit fees, printing and equipment hire
- Maintenance** – Allows for daily repairs and maintenance contracts for CCTV, Automatic doors etc. The figure is based on adjusted costs supplied by LB Bromley for 2012/13
- Business Centre Support** – IT provision to support Business Centre phones and data – based on quotes received
- Long Term Building Costs** – based on an exercise using the Davis Langdon Building Calculator and uses 100% of that figure, circa £3 million over 25 years. Various other figures have been reviewed and range from circa £45k pa (LB Bromley) up to this figure. The approximate figure for backdated building repair costs is thought to be in the region of £500k - £600k. A full independent conditional survey would provide a clearer picture on this large element of the project's cost

Summary Costs	ATH Costs (£0,000's)
Staff	128
Running Costs:	125
<i>Rates 7</i>	
<i>Utilities / Cleaning / 60</i>	
<i>Office Costs 20</i>	
<i>Maintenance 20</i>	
<i>Bus Centre Support 18</i>	
Long Term Building Costs	123
	£376



	<i>Existing</i>	<i>New</i>	<i>Total</i>	<i>Business Centre</i>	<i>Halls</i>	<i>Library Space</i>	
	<i>£ 0000's</i>	<i>£ 0000's</i>	<i>£ 0000's</i>	<i>sq ft %</i>	<i>48%</i>	<i>28%</i>	<i>24%</i>
Expenditure							
Trust Manager	44		44	21	12	11	
Admin / Reception	18	25	43	20	13	10	
Caretakers	37		37	6	28	3	
Project Staff etc	4		4	4			
Staff Costs	103	25	128	51	53	24	
Utilities, Cleaning etc	11	49	60	29	16	15	
Maintenance Contracts		20	20	10	6	5	
Rates		7	7	3	2	2	
Bus Centre Support		18	18	18			
Office Costs etc	20		20	10	6	5	
Other Costs	31	94	125	70	30	26	
Sub Total	134	119	253	121	83	50	
Long Term Repairs		123	123	59	34	30	
Expenditure Total	134	242	376	180	117	80	
Income							
Hall Hire	-98		-98		-98		
Bus Centre	-50	-97	-147	-147			
Library		-64	-64			-64	
Other		-67	-67	-32	-19	-16	
Income Total	-148	-228	-376	-179	-117	-80	
Profit / Loss	-14	14	0	0	0	0	

The above potential income represents a return of £24 per square foot for the Business centre, £27 for the community Halls and £20 for the vacated library space.

The “Other” figure of £67k has been arrived at by reviewing the other parts of the Town Hall building and the surrounding grounds, in an attempt to identify further potential for income. Further information on this thinking is detailed further on [\(see page 16\)](#)

10. Staff Resources

Budget constraints mean at this stage the staffing budget is pretty “tight”, and with more assurance of proven income at the required levels, it is likely the staffing resource would be strengthened. The overall outcome of CPCDT’s role in overseeing the ex-library space will probably influence the size and mix of skills that are deemed necessary to carry this out effectively and professionally. The changes proposed irrespective of this will mean extra duties to include;

- the effective marketing of the vacant business space,
- monitoring the satisfaction levels of businesses and the timely resolving issues to improve the retention rate
- collecting the associated rent and service charges from business users
- improving the take up of community hall use via effective marketing and relationship building
- being responsible for the buildings services and repair; commissioning and ordering services, enabling the proper upkeep of the fabric and plant of the building in a cost effective way.

11. The 4 Income “Areas” of the Town Hall Building

11.a The Business Centre (managed by CPCDT on behalf of Bromley Council)

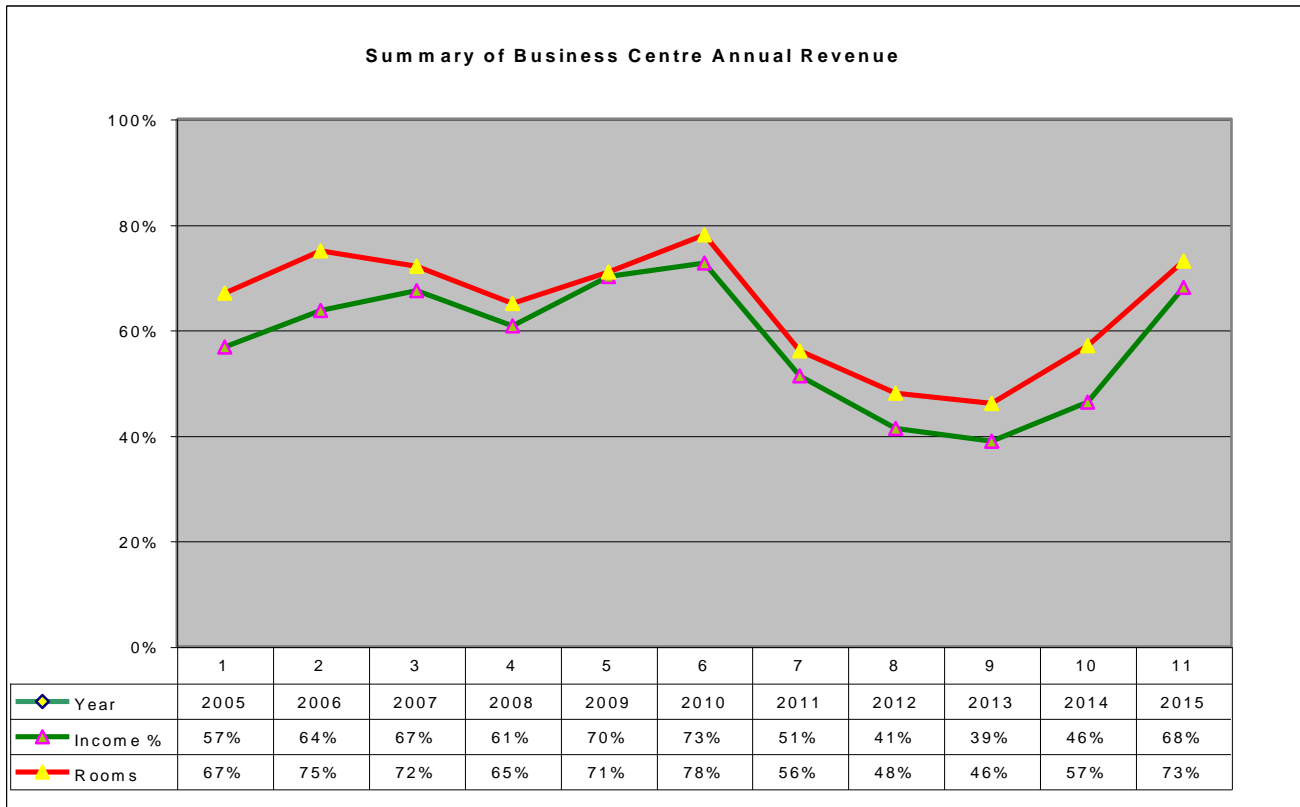
The business centre lies over the ground and 1st floors, and represents 26 offices, 69 desks and occupies 5,700 sq ft, At current rental rates it has an income potential of £198.5k p.a.

There are 2 other offices not detailed in the table below, Room 1 occupied by CPCDT and Room 2 occupied by a community group, The Pineapple Luncheon Club serving the local Caribbean community



No. Desks	1	2	3	4	6	Total
Ground Floor	1		4	3		8
1st Floor	6	5	2	4	1	18
Total Rooms	7	5	6	7	1	26
Total Desks	7	10	18	28	6	69

The graph below summarises the historical income and occupation levels of the business centre during its 10+ year life, with Bromley council overseeing the letting and CPCDT providing an on site reception and management service



Notes on ATH Business Centre Usage / Income 2005-14 (last 10 years)

- Average income per year = £114k or 57% of potential max. Average room use 16 (out of 26) or 60%
- Last price increase (13%) was in 2006
- Current (Jan 15) % of revenue received is 68% of max (£135k vs £198k) following a recent upturn in interest from new businesses
- Current % of Desks Occupied is 67% (46/69)
- Current % of Rooms occupied is 73% (19/26) - (ignores rooms 1 and 2)
- The average annual trend of income is up 1.9 % pa since opening in 2005, and has picked up in 2014 into 2015, and is now (Jan 15) 68% of the potential maximum. 51% was the average for 2014
- Average number of desks in occupied rooms is 2.1 vs 3.5 in unoccupied / Average cost of rented rooms is £560 vs £760 for those unoccupied
- The first floor offices have delivered 70% (£77k/ £110k) of the income from 64% of the desks (44/69) or 66% of sq ft (2959/4501)
- Of the 10 rooms currently unoccupied, 4 (Rooms 5,7,8,12) have been unused since 2010, and Room 14 since 2007. These represent £49k of annual lost income

- Rooms with 1 desk have received 76% of their income, 2 desks 68%, 3 desks 54 %, 4 desks 40% and 6 desks 66% (see Appendix X)
- 75 businesses have come in and -59 businesses have left since 2005 (= 16 rooms currently occupied). The "churn" is therefore circa 5.9 rooms per year, on an average occupancy of 15.8 = 37%. So roughly 1 in 3 businesses move out each year (see graph below)

Number of businesses coming and going:



Analysis of data and possibilities

The above figures suggest there are elements of the business centre that are more popular than others. The larger the room the less likely it is to be rented out. The first floor is marginally more lucrative than the ground. The business centre hasn't really flourished over the years in terms of occupation, despite prices being held since 2006.

The condition of some of the rooms have suffered from the lack of investment and the long standing issue of subsidence has caused large cracks in some areas which would be likely to put existing and new customers off. These have been there for years.

Recent feedback from business centre residents highlighted issues with the cleaning, IT provision, and inability to get problems resolved, all of which are things currently out of CPCDT's hands. They did like the friendliness and approachability of CPCDT staff. (Some also said they would prefer lower rent!)

CPCDT is not fully aware of the extent of Bromley's efforts in marketing the centre and will need to ensure, if given the chance, it markets the facility in such a way that it out performs the last 10 year average (57%). The cost / income projection detailed above requires an occupation level of circa 74% to deliver the £147k needed. This compares to the 68% current level (Jan 15). The maximum achieved across a year was in 2010 at 73%. There has been no flexibility in the pricing structure across the project's 10 year life to date.

It is felt with a local focus, an on site management presence that builds on understanding the needs of existing and potential new local businesses, reacting to problems speedily, improving the environment (over time), improving the IT provision to high end broadband / wifi, addressing the issue of cleaning, toilets etc, CPCDT has a strong chance of achieving an average occupation level of 75%

11b. The Community Hall Space

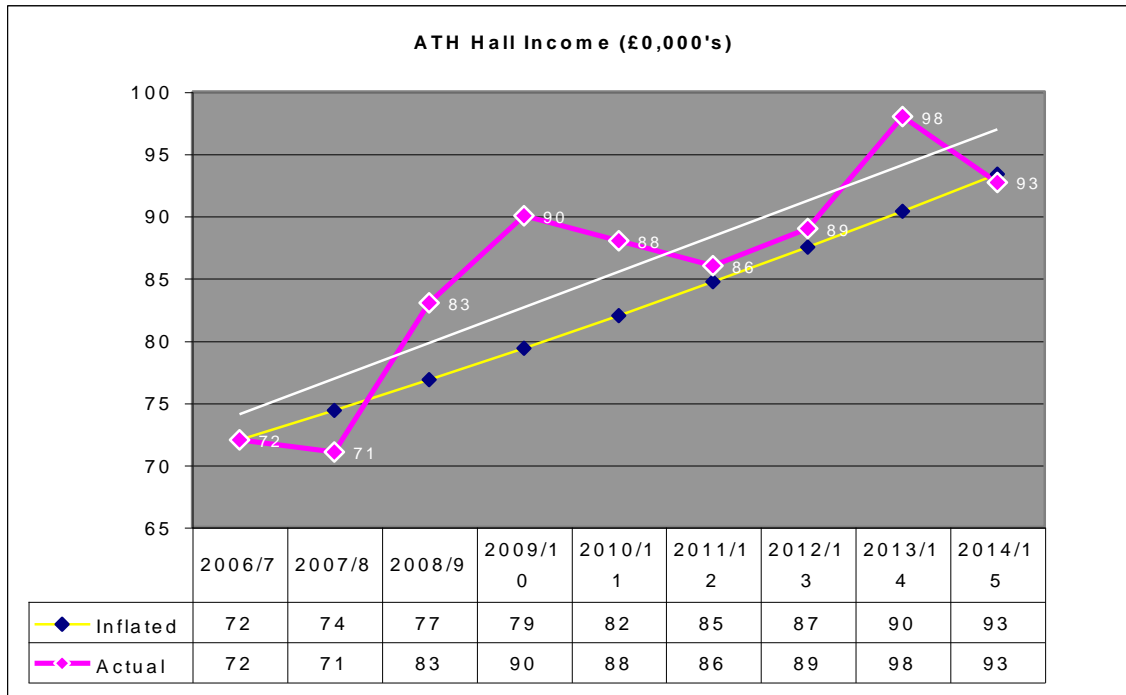
The Community Halls comprise of the main hall and stage (as in the picture above, a smaller room called the “Lounge” and adjacent to that a kitchen) The main hall and lounge can both be accessed separately from the front lobby. The Kitchen cannot be accessed directly from the main hall. It accounts for about 28% of the buildings internal space at 3,400 square feet



It is estimated that there were circa 40,000 visits in the last year, from 1,000 separate bookings / sessions. Such activities including faith groups, elderly caribbeans, a twice weekly youth club / youth art classes, christenings, weddings and funerals, blood doning, a council polling station, weightwatchers, zumba and meditation, careers and CAB advice. See Appendix A for a more detailed breakdown.

Feedback from users, both private and community based has been good, with an overall average satisfaction rating of 90.4%. from private hirers and 92% from community groups. They liked its location, facilities, sound system, use of kitchen and thought it was well taken care of. A negative was the lack of dedicated changing facilities.

Specialist activities like the twice-weekly Youth Group (circa 40 weeks p.a.) received positive feedback from the beneficiaries (attendance approx 35 per session), 82% said they benefited from meeting new people, 54% believed it had made them more confident and 46% said it had improved their health and fitness.



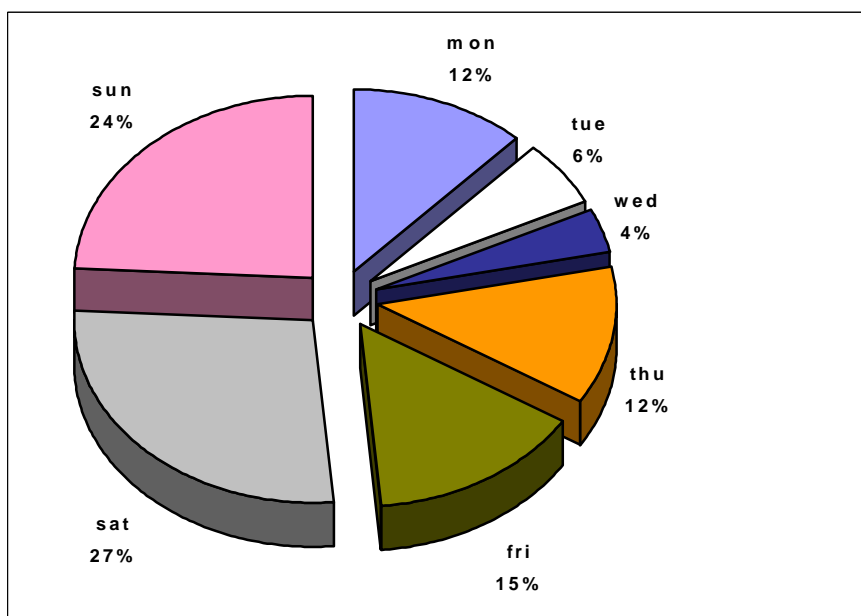
Analysis of data and possibilities

The trend for Hall income is one going up by 3.3%. Whilst some years have been more lucrative than others, there seems to be a clear ongoing demand for the space to be used for community, business and private hire. Weekends are particularly profitable when weddings and parties use the grand space, with its high ceilings and airy feel. The trend line indicates we should be *on course to take £93k (net) this financial year, a figure slightly below that needed in the break-even projection shown earlier. Factor in money received from sponsors of funded activities and this figure is achieved.*

	Main	Lounge	Total	
Peak	2840	2040	4880	53%
Off Peak	1963	2430	4393	47%
Total	4803	4470	9273	
	52%	48%		

Using June 2014 as a sample month, it shows that the main hall and the lounge areas delivered roughly the same contribution, as did the Peak (Fri eve through to Sunday eve) and Off Peak (all other) tariffs currently applied, as shown in the adjacent table.

Across the days of the week however there were large variances and potentially scope for improving take-up and consequent increased revenue. (% if income received detailed in chart below)



11c. (Ex) Public Library Space

Splintered over a few rooms the total is 2887 sq ft and the main body of the area can be seen in the photo below. It has a separate side entrance and its own basic facilities, including just 1 toilet



The Anerley public library was merged with Penge in Aug 14 despite a petition signed by 800 local people Bromley Council have pledged to the building a reduced library service which will be based close to the main (front) lobby area and will comprise a book “order to collect” service alongside 8 computer workstations for free use by the public. This will be overseen by CPCDT for a fee

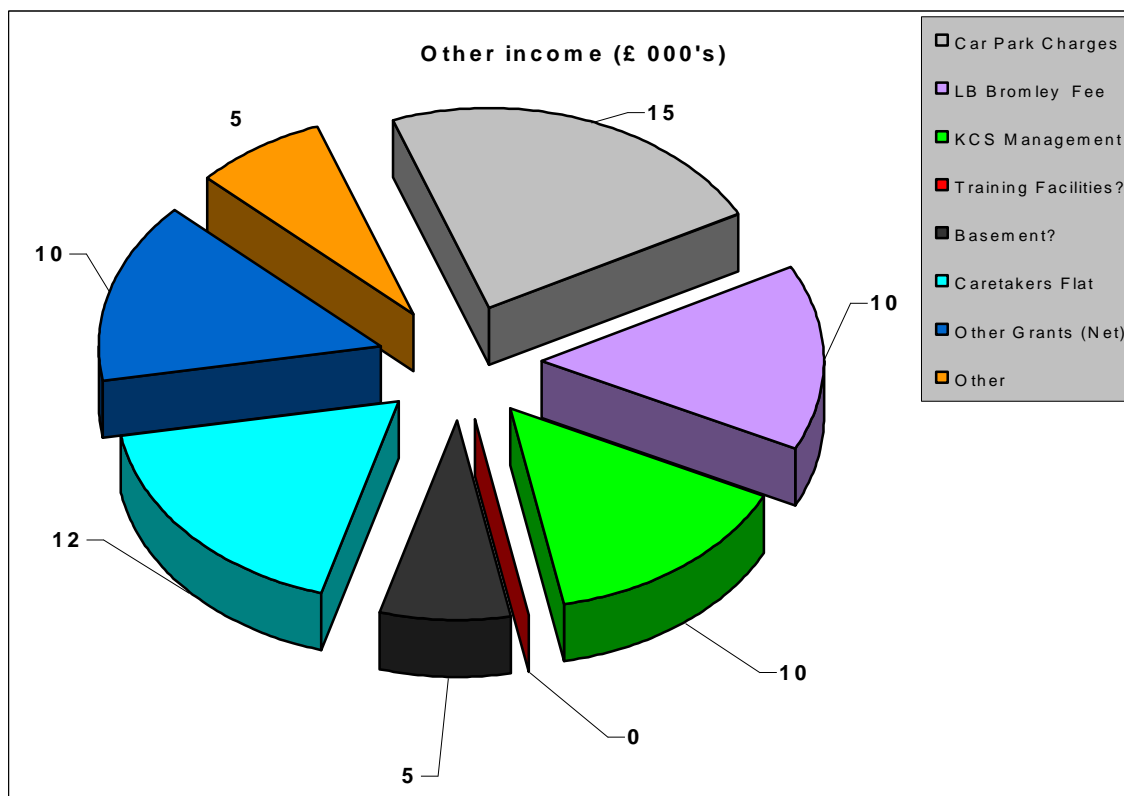
The use of the vacated space in the long term has yet to be determined and is the greatest unknown in terms of what services can be provided that meet the needs of local people but that also are able to generate the sort of income needed to pay for its physical upkeep and safe management. The suggested income needed £58k p.a. is in line with the other areas of the building (£20 per sq ft vs £24 for the business centre and £27 for the community Halls) but in the short term, from a standing start and being a part of the building that is not necessarily an ideal shape or design, to achieve that is a big ask. Further consultation with local people, groups and businesses will be crucial in determining in shaping the use of the space. CPCDT is looking to work alongside the GLA (who have Crystal Palace tagged as an area in need of regeneration) in establishing the local needs of the area south of Crystal Palace, where ATH is based.

An initial idea is for the area to be dual use, hiring out for private functions at weekends only, which should enable it to have greater financial freedom through weekdays, offering something affordable and useful to local people. In consideration of the demography of the immediate area (see page 7) a resource centre providing access to learning materials and advice, coupled with specialist provision from partner agencies such as CAB and careers advice plus training sessions from local colleges etc will provide a useful facility to help those wishing to improve their economic position.

11.d “Other “ areas

With the burden of a full repairing lease, CPCDT will be aware of the financial pressure this will exert and will therefore need to be vigilant in its efforts to derive as much income from the asset, including the surrounding grounds, as is practicable.

The following list is therefore not exhaustive and in some instances may not turn out to be practical, but it is a suggestion of how an additional £67k p.a. may be derived from realising the potential value of the space and services



Car Parking

There are currently 41 car park spaces immediately around the town hall within its grounds and are currently free to use and effectively un-policed. If CPCDT could oversee charging £2.50 per day 5 days a week and achieve a take-up of 60% this will derive **£15k** income per annum.

Fee from Bromley Council for overseeing the reduced Library / IT resource offer.

A figure close to **£10k** has suggested as payment to CPCDT for the space used and the resource needed to manage this function

KCS Management

CPCDT oversees from ATH the management of the KCS project and this should deliver circa **£10k** a year of income from the sponsors of that project (it does at the moment)!

Training Facilities

No figure has been included as a location within the building or a specific demand for the facility hasn't been identified as yet, but it maybe something if the demand is proven that could generate income from within the building after the initial setting up investment

Basement

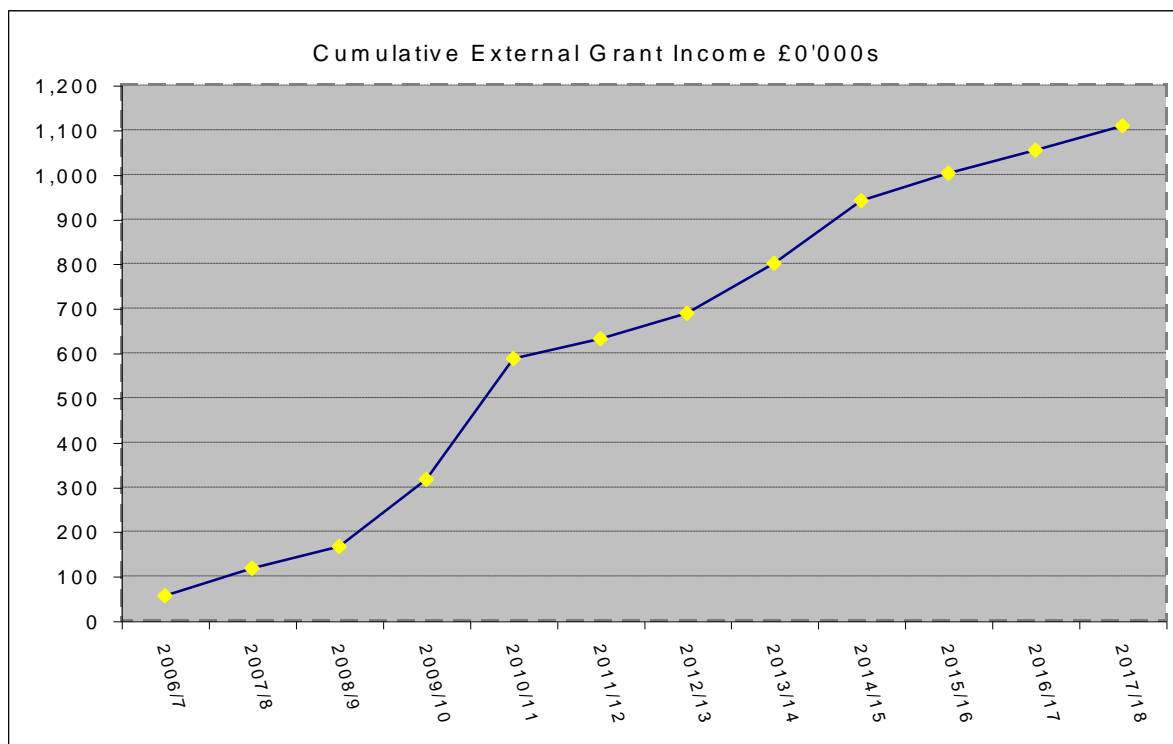
There is an area under the stage that is currently being used as a sideline to the youth project in the shape of a music making / recording project for hard to reach young people. It isn't in great condition and is currently used rent-free but with some adjustment it could have the potential to realise some income (£5k allowed)

“Caretakers Flat”

There is a self contained flat at the 1st floor rear of the building that has its own entrance, is currently unused and would be suitable if nowt else, as to be privately let. With 5 rooms + kitchen and bathroom a figure of £1k per month looks conservative. £12k allowed

Other Grants

CPCDT has tried not to be too heavily grant dependent in the past and this scenario requires a net figure of £10k p.a. which seems “do-able” and consistent with previous years. Identifying the supported activities (i.e. Kids Art classes) from within the building and their demonstrable positive benefits should pave the way to meeting and surpassing this figure. CPCDT has since 2006 secured over £1.1 Million in external grants as shown in the chart below



Other

There's always got to be something else yet to be identified! £5k! The Pineapple Luncheon club currently use a room not included in the above, that would deliver a figure close to that

12. Qualifying the Income / Expenditure projections

The allocation of costs are mainly generic, using the proportion of floor space used for most. and this may not be a true reflection of trust's resources dedicated to the separate areas, particularly staff time.

The likelihood is that the library space will struggle to deliver close to the business centre and community halls in terms of £ per sq ft, at least in the initial years, and this will put greater pressure on deriving income from the other areas, or reducing the amount of expenditure. Whilst salaries and bills

for rates, utilities, cleaning, communications, maintenance contracts etc will all need to be met when they occur, there maybe scope to defer or reduce spend on the long term repairs of the building.

To this end attached (Appendix B) is a layman's view on the figure and how it could be reduced by 25% without potentially harming the crucial parts and services of the building. Partnerships like that currently being enjoyed with the community payback scheme, who are decorating the ground floor main hall, lobby, lounge, first floor flat and potentially the library space utilising unpaid ex offenders, will save CPCDT money on such things, alongside utilising spare caretaker time and this will most likely be the way forward.

A reduction of 25% on long term repairs would save CPCDT circa £31k pa and if this is solely applied to the library income requirement, would reduce the need from £64k to £33k pa, (£10 pr sq ft)

The previous scenarios are all about breaking even and of course the trust would hope to outperform on the targets set above, delivering a profit to give it greater financial solidarity and the ability to ensure it is around to fulfil its obligations for the long run, and in the long term reinvesting any gains in the regeneration of this part of the Crystal Palace area. CPCDT (its staff, volunteers, trustees) will need to be at the top of its game, utilising the following qualities as detailed in our strategic vision:

- **Clear in its objectives** - Knowing its focus and priorities and reviewing these regularly
- **Outcome focused** - Concentrating on making a demonstrable, positive difference
- **Inclusive to all** - Provide services and support that appeals to the full spectrums of age, ethnicity, gender et al
- **Financially sustainable** - Assesses the risks of new projects and seeks to be not heavily dependant on grant funding for core running costs / Always looking at least 24 months ahead
- **Democratic and open** - Seeking a broad spectrum of stakeholders (users, trustees, partners) that reflect the diverse local community and be open to new ideas and initiatives
- **Communicative and helpful** - Knowledgeable and customer focused / professional level of customer service
- **Responsive to local needs** - Listens to and takes action on feedback from the community / service users
- **Engendering a sense of community and pride in the local areas** - Providing services and support that promotes the local area in a positive way
- **Partnership orientated** - Positive approach to working alongside similar organisations and ensuring we complement rather than duplicate, bringing in and sharing knowledge and expertise –
- **Positive – a “can-do” mentality** - Prepared to be open minded and ambitious about existing and new opportunities / challenges
- **Creative and Inspirational** - Provide services that draw on the resources experience and expertise of the Trust's key members, e.g. staff, volunteers, service partners and trustees
- **Empowering** - Seek to enable others to learn from their CPCDT experiences and be able pass onto others in a positive way
- **Professional** - Deliver services and support that is of high quality and remains objective and non-judgemental at all times. Always maintaining a sense of perspective.
- **Adopting a “Quality” approach** - Seek to ensure that all of its actions and activities serve a useful purpose and all of its infrastructure, including staff, volunteers, service partners and board of trustees provide added value to the organisation and help it in achieving its aims

The above costings look at 1 year in isolation and will need to be extrapolated over years to ensure that income doesn't get outstripped by inflationary cost increases, although the assumption here is that they will cancel each other out for the foreseeable future (i.e. CPCDT's charges to customers will go up by an equivalent amount)

13. Sensitivity / Risk Analysis

The 4 Business areas:

The **community hall space** (26% of total projected income) has a track record for 10 years (see page 14) of regularly delivering what is included in these projections and it is felt unlikely that another local building that would compete with the space and value ATH offers.

The **business centre** (39% of total projected income) may suffer from either competitors offering more modern or cheaper usage, although the grandeur of the building and the cubic space offered is unlikely to be matched or bettered and this is arguably ATH's "USP". Working alongside GLA's architect consultants (October 14) should arm CPCDT with greater understanding of the market needs and particularly those of the surrounding area. CPCDT will also need to be aware of future trends of working that may make "business centres" like that at ATH less appealing / appropriate in modern times

The **library space** (16% of total projected income) has yet to be passed to CPCDT and its condition and layout isn't one that immediately assures a steady income from whatever activities are delivered from within. CPCDT has received some offers from local providers such as a nursery and local faith group suggesting they would be willing to pay in the region of £25k a year to rent the space. The projections in the long term will need to be far in excess of this unless other areas of the building outperform. Possibilities of dual use, whereby we have flexible space that can be safely used for different purposes at different times is something for further investigation as.

The "**Other**" areas (19% of total projected income) have varying degrees of assurance, from the management fee for the KCS project which should be "nailed on", to currently unexplored areas such as renting out the caretakers flat and charging for car parking. There needs to be further work on the realism of these ideas alongside exploring other opportunities yet thought of or detailed here. Additionally a fuller exercise on resourcing these, such as overseeing a chargeable car parking facility, could have some bearing on the staff costs allowed for in this document.

External Grants

The above scenarios allow for only £10k of **grant funding** to support the activities and building's core running costs and there may be a risk of not achieving that. It is however felt more likely that this is a conservative outlook and CPCDT will be successful in achieving more than this figure on an ongoing basis.

Variations to Income Projections

At £376k projected income p.a. CPCDT will be able to meet all of its costs including the £123k towards long term building repairs. A 10% dip in revenue will mean £37k less income. It is expected that the long term repairs will in many cases be deferrable and could be used to "cushion" dips in business and community income, but this would not be sustainable year on year, where only, in this scenario only 70% of repair costs could be met (basically each 1% of lost revenue = 3% of the long term building maintenance allocation)

The figure of £123k needs further scrutiny to see if it can be reduced down to a level that doesn't endanger the building's effectiveness or safety yet still supports a building people admire and enjoy using. To this end negotiations with Bromley council will need to ensure the building is handed over in a state that allows CPCDT not to be burdened with immediate massive repair bills.

A variation on income –25% to + 25% is shown below and “Variance A”, in blue, is the figure that would be available for long term building maintenance.

Income	-25%	-15%	-5%	0%	+5%	+15%	+25%
Halls	-73500	-83300	-93100	-98000	-102900	-112700	-122500
Business Centre	-110250	-124950	-139650	-147000	-154350	-169050	-183750
Other	-50250	-56950	-63650	-67000	-70350	-77050	-83750
Library	-48000	-54400	-60800	-64000	-67200	-73600	-80000
Total	-282000	-319600	-357200	-376000	-394800	-432400	-470000
Costs							
Staff	128000	128000	128000	128000	128000	128000	128000
Office Running	125000	125000	125000	125000	125000	125000	125000
Total	253000	253000	253000	253000	253000	253000	253000
Variance A	-29000	-66600	-104200	-123000	-141800	-179400	-217000
Long Term Building Reps	123000	123000	123000	123000	123000	123000	123000
Variance B	94000	56400	18800	0	-18800	-56400	-94000

14 SWOT Analysis

Strengths	Weaknesses
<p>Hands on Experience - 10 years managing building</p> <p>Existing customer / partnership base / Creative & Cultural community</p> <p>Good relationship with LB Bromley (Freeholder)</p> <p>£135k reserves forecast / currently financially sound</p> <p>Prev experience of overseeing Capital project (KCS)</p> <p>Separate income opportunities spread financial risk</p> <p>Location of ATH - main road / near station buses etc</p> <p>Appearance of ATH - feature of Anerley street scene - historic value</p> <p>CPCDT been operating for 10 years</p> <p>Awareness of what works and what doesn't</p> <p>Close & working relationship with BME communities / youth</p> <p>Skilled Board of Trustees</p> <p>providing free community activities / venue space for unfunded groups</p>	<p>Limited resources restricted by uncertainty over income</p> <p>Location of ATH can make it seem inaccessible by pedestrians</p> <p>Lack of volunteer base./ Circular business structure</p> <p>Uncertainty over building future causing uncertainty within CPCDT and ATH users</p> <p>High maintenance cost of old building</p> <p>Current lack of FM experience (Plant repair etc)</p> <p>Lack of regeneration expertise</p> <p>Lack of community / stakeholder engagement / input</p> <p>Lack of "brand" image in Anerley / Advertising and Marketing</p> <p>Current Condition of ATH</p>
Opportunities	Threats / Challenges
<p>Expand on income</p> <p>Greater autonomy to reap rewards</p> <p>Ability to be creative and flexible with Library Space, Flat etc</p> <p>Greater presence in Anerley for > potential impact</p> <p>Experience to carry forward onto other projects in CP</p> <p>Greater freedom to manage the building more effectively i.e. Business Centre</p> <p>Ability to manage the building holistically - i.e. synergies</p> <p>Ability to look at cost effective ways of limiting spend</p> <p>More opportunities for external grant support</p> <p>ATH could be the biggest & best community/cultural centre in SE London</p> <p>Ability to market business space as it becomes available</p> <p>build stronger links with local community, stakeholders & partners</p> <p>Establishing an awareness in the district for ATH and the activities it supports.</p>	<p>Changing demand for services could damage finances</p> <p>Greater financial risk</p> <p>Larger project may put greater pressure on staff and trustees</p> <p>Income may restrict spend on buildings repairs and maint</p> <p>Capital Loans may put greater pressure on - expectancies</p> <p>Other facilities springing up may reduce custom</p> <p>Funding availability may jeopardise TDM / Youth Club</p> <p>Creating a website that really engages people.</p> <p>Major incident (i.e. fire) would disrupt income / High level of fixed costs</p> <p>Need to get all areas of the building delivering simultaneously</p> <p>Unforeseen major structural failure</p> <p>external political changes</p>

15. Conclusion / Summary

CPCDT will need to manage the ATH building and its services more effectively and more lucratively than it has been in the last 10 years (partly under Bromley Council) to sustain the building and the associated provision of services to local individuals, groups and businesses for the benefit of Anerley, it's people and its surrounds

This report seeks to break down potential income streams into 4 key identifiable areas (Business Centre, Community Halls, ex- Library and "Other") and focuses on what each one will need to do to meet its contribution target. The overall cost figure is £376k p.a., made up of £128k Staff, £125k Office/ Building costs and £123k Long-term building maintenance. Allocating the costs (primarily on a square foot basis) to the 3 defined areas of the building, delivers an income target of:

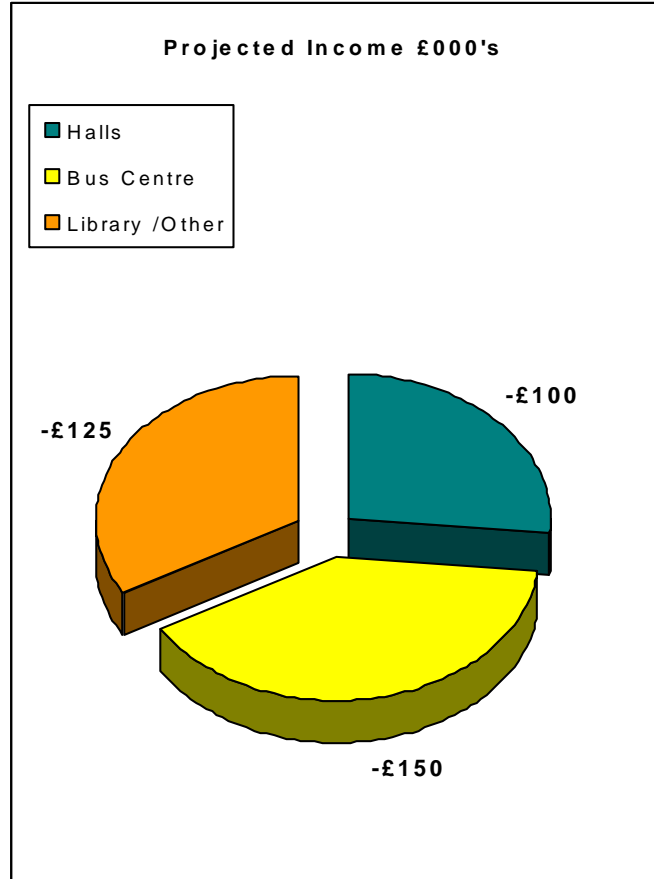
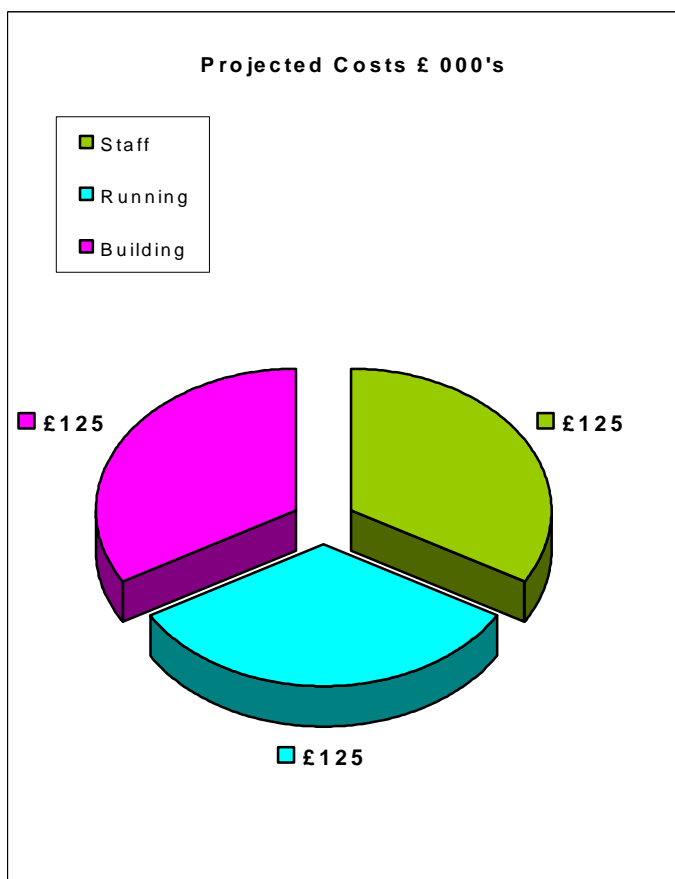
- £147k for the business centre (= 75% occupation vs 57%, 10 year average and 68% current),
- £98k for the community halls (current forecast for this year = £102k), and
- £64k for the vacated library space (no previous to compare it to).

These figures are arrived at after the "Other" income figure of **-£67k** (car parking, caretakers flat rental, library management fee, KCS project management fee, hire of basement, grants and room hire) has been distributed to them on a square footage basis – see below

	£ 0000's	£ 0000's	£ 0000's	sq ft %	48%	28%	24%
Expenditure	Existing	New	Total		B Centre	Halls	Library
Staff Costs	103	25	128		51	53	24
Office / Running Costs	31	94	125		69	30	26
Sub Total	134	119	253		121	82	50
Long Term Repairs		123	123		59	35	30
Total	134	222	356		179	117	80
Income							
Hall Hire	-98		-98			-98	
Bus Centre	-50	-97	-147		-147		
Library		-64	-64				-64
Other		-67	-67		-32	-19	-16
Total	-143	-213	-356		-179	-117	-80
Profit / Loss	-9	9	0		0	0	0

Whilst the Staff and Office / Running costs appear fairly rigid, there maybe scope to reduce the burden of the cost of long term building repairs which comprises just over a 1/3 of the overall total. This could potentially be done by creative ways of maintaining the building and CPCDT's on-site presence and local focus as well as ensuring that it's in a decent condition at handover. This would have the benefit of releasing some of the pressure of the 4 income streams detailed above.

Another way of looking at it is that the income derived from the hall hire and business centre (if achieved as set out above) will more or less cover the staffing, office and day to day running costs (-£245k vs £253k) and therefore the amount CPCDT could afford for long term building maintenance will be whatever it makes from the ex-library and "other" areas and/or is able to acquire from external grant support. This is summarised, with rounded up figures, in the 2 pie charts below



Missing from the above costs are the current Trust Development Manager's role (0.6 fte), and Youth Workers who run the existing youth group. It remains CPCDT's intention to retain both of these for the foreseeable future and have been removed from the above to focus on what is essential to the building's basic function. Currently both are grant funded and that will be how we will seek to support them into the future until such a time that the building secures sufficient income to do so.

The project is therefore a big challenge for CPCDT but one that looks "do-able" if it is "on its game" and harnesses the right skills, enthusiasm, experience, knowledge and energy throughout its structure, from trustees to manager's, clerical staff, caretakers, sessional workers and volunteers.

There seems no reason why CPCDT shouldn't ring fence any profit made from the project to be reinvested in the building or the immediate area of Anerley. Additionally CPCDT would be happy and willing to share its knowledge and experience of running the project with Bromley Council, adopting a partnership approach to what will hopefully be the continuation of Bromley's commitment to regeneration in Anerley.

There are some key areas that need further investigation and thought and they include:

- Ex - Library space –
 - what can it be used for that serves local needs in an affordable way and yet delivers the necessary income?
 - What adjustments need to be made to the space to make best use of it
 - What capital funding might be available to enable the above
- Business Centre
 - what are the existing and changing requirements of local businesses that we need to cater for?

- is the figure of 1 in 3 businesses leaving each year too high and something that could be tackled and if so what?
- how can we adapt and improve the ATH business centre to ensure the occupancy level is what we need it to be?
- What capital funding might be available to enable the above
- **Community Halls** –
 - how can we improve on our 10 year historical performance to bring in additional funds that will ease the financial pressure on other revenue areas, particularly those days of the week that contribute circa 1/5 of others?
 - Does the community space meet current needs and if not what physical adjustments could be made
 - What capital funding might be available to enable the above
- **Other Income** –
 - how can we maximise the value of other parts of the building and surrounds, ensuring appropriate services are available to local people and businesses, but that deliver the necessary income?
 - Are these manageable by the resources we have allowed (existing £103k + £25k), and if not, what do we need to adjust?
- **Building Space**
 - Are there opportunities for greater “synergies” between what are currently viewed as separate operating areas of ATH that will improve the overall “offer” to new and existing users?
- **Building condition** –
 - how can we ensure we take on a building that is in a condition that we can afford to look after and one that is attractive and functional for new and existing clients, either through negotiations with the freeholder, LB Bromley or by establishing the means by which we can lever in external funding suitable for projects such as this?
 - Are there savings to be made on such things as utilities, by investing in the building’s plant and fabric that could return a saving in the long run
- **Staff Resource** –
 - Do we have the enough of, and the right mix of, skills, knowledge and abilities to manage the new larger project with what has been allowed (existing £103k + £25k?)