Subject to Contract and Without Prejudice

Dear Kristen,

Re: The Stag

Please find enclosed Sevenoaks Town Council’s expression of interest to manage the Stag Theatre complex in the form of a business plan entitled ‘Stag Proposal for a Community Arts Centre – Proposed Draft Business Plan dated September 2008.

Within this accompanying letter I have also been instructed by the Town Council to bring to the attention of Sevenoaks District Council the following matters:-

i) Sevenoaks Town Council’s objectives in relation to the Stag:-

- To advance the public education by fostering and promoting for the benefit of the public, improvement and development of artistic knowledge and taste, understanding and appreciation of the Arts and Crafts among the inhabitants of the Area of Benefit;

- To provide and assist in the provision of community facilities for recreation and leisure time occupation of the inhabitants of the Area of Benefit in the interest of social welfare and with the objectives of improving their conditions of life in particular but not exclusively by the provision and maintenance of a Community Arts Centre; and
- To further such charitable purposes for the benefit of inhabitants of the Area of Benefit as the managing trustees see fit from time to time.

ii) To note that Sevenoaks Town Council's revised business plan is not an operational document but a submission of interest to Sevenoaks District Council.

iii) To note the support of the local community as contained in the document circulated to Town Councillors at the meeting held on 25th September 2008 – please see Appendix E of business plan.

iv) To note that within Sevenoaks Town Council’s Business Plan although all costs are shown there was more scope for potential revenue income for example from commercial hire.

v) To clarify that a submission from Kent County Council (although identified as a joint bid) was not a joint bid with Sevenoaks Town Council, due to the Town Council not having made the resolution for it to be so.

vi) Please note that the Appendices in the business plan are considered private and confidential by Sevenoaks Town Council and should therefore be distributed accordingly.

If you have queries regarding the contents of this letter or the business plan please do not hesitate to contact me. I look forward to hearing from you in due course.

Yours sincerely,

[Signature]

Town Clerk
Sevenoaks Town Council

Stag Proposal
for a Community Arts Centre

Business Plan

September 2008

Sevenoaks Town Council
Town Council Offices
Bradbourne Vale Road
Sevenoaks, Kent TN13 3QG
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## Appendices

- **Appendix A**: Proposed staff establishment
- **Appendix B**: Proposed fees and charges
- **Appendix C**: Proposed revenue budget
- **Appendix D**: Stag layout plans
- **Appendix E**: Expressions of Interest
1. **BACKGROUND**

1.1. The original premises were purpose built as a cinema in the late 1920s and operated as, firstly as a Regal Cinema and subsequently an Odeon until 1980s.

When the cinema closed a local group of theatre enthusiasts formed the Sevenoaks Theatre Action Group (STAG) and operated a theatre called Stag Theatre Ltd, with cinemas below.

In 1993 the District Council completely refurbished and extended the property at a cost of £3.2 million to provide a two screen cinema, public hall and theatre with associated offices and catering accommodation. The cinemas were refurbished in 1999. This facility was operated by Stag Theatre Ltd with a name change to Sevenoaks Playhouse Ltd and finally by Kino Holdings until its closure in July 2008.

1.2. During 2006 Sevenoaks District Council carried out a consultation exercise relating to the future of the Stag. A good response was received (2,917) demonstrating overwhelming support for the Stag facility, with the conclusion that the complex is essential for the viability and vitality of the town.

1.3. The Chamber of Commerce has stated: “The Stag is needed for the town both culturally and financially. The cost of having to drive to Tunbridge Wells for example, and the cost of tickets in these times has a huge impact if you are taking a family, of say four, to either a theatrical performance or film, plus petrol costs. We feel if the centre was managed properly it would again become the old ‘Stag’, and bring more people into the town again, especially now in the summer holidays. The more people we can draw into the town for whatever reason, will only benefit the businesses in the long run so we are hopeful that this problem will be resolved as soon as possible. In these hard economic times, we really need to have a community spirit and all pull together.

Sevenoaks Town Council has also received a variety of other expressions of interest in relation to the Stag project – please see Appendix E.

1.3 Following the closure of the Stag (then named Kino) by Kino Holdings in July 2008, Town Councillors resolved (Finance and General Purposes Committee, 21st July 2008) to accept the following recommendations from the Chief Executive to investigate all options for the future of the Stag Theatre:-

i) priority to keep Stag Theatre complex open, recognising its iconic contribution to the town. However it is also recognised that it is difficult for such facilities to be profit making and core costs would need to be met by non-theatre revenue and / or subsidy.

ii) Sevenoaks Town Council to consider occupying part of the building to assist with underwriting core revenue costs
iii) Partnership arrangements with SDC, KCC (Gateway) and voluntary community groups be investigated

iv) Should ii) proceed, safeguard the Town Council's long term security in relation to premises

v) Full feasibility to be investigated

vi) Public consultation may be necessary if a financial commitment is required.

1.4. At the Town Council meeting held on 11th August 2008, following debate and consideration of the first draft Stag business plan the following was resolved:-

i) The Town Council authorised the Chief Executive / Town Clerk (or other delegated officer) to apply for external funding for any of its functions or facilities and, or for future projects under consideration by the Town Council.

ii) to continue negotiations with SDC and other interested parties in Stag Theatre

iii) to seek ways of ensuring that the business plan for Stag is both affordable and sustainable

iv) to promote a solution for Stag which commands broad support in the local community.

1.5. Sevenoaks Town Council proposal's supported by this business plan is to create an independent Charitable Company to manage the Stag as a Community Arts Centre for the town of Sevenoaks.

1.6. Sevenoaks Town Council proposes to base the model of the independent Charitable Company on the successful model adopted by East Grinstead Town Council for the operation of Chequer Mead Community Arts Centre, as a letting operation (further details supplied later in the document).

1.7. Sevenoaks Town Council proposes that the independent Charitable Company should operate the Stag with subsidy from the Town Council and Sevenoaks District Council and that it be professionally staffed with full – time, part time, and casual employees, with volunteer support. External funding and grants would be sought wherever possible and appropriate.

1.8. In developing the proposals Sevenoaks Town Council has been informed that Sevenoaks District Council officers will be making the following recommendations to members in relation to the following:-

i) A continuing annual subsidy of £100,000 – with a commitment for 5 years

ii) not to agree to an additional commitment, such as remission to the Stag of evening car parking charges of £1 in the adjacent car park.
iii) The provision of a long term peppercorn lease for 50 years

iv) Retention of 10 car parking spaces for Stag personnel.

v) The creation of the Charitable Company will provide the Stag with 80% non domestic rate exemption. The remaining 20% is discretionary to Sevenoaks District Council. A commitment to provide the remaining 20% rate relief would be requested. Sevenoaks District Council officers expect the proposal to meet the rate relief criteria.

1.9. Sevenoaks Town Council aims to re-create a Friends of Stag organisation to assist with a variety of duties, promotion and fundraising for the centre.

1.10. It is proposed that most functions apart from staging performances would be run 'in-house' including the bars. Franchises could be made available for catering and the cinema activities.

1.11. The business plan aims to make full use of the existing facilities in the Stag venue consisting of:

i) Ground floor – foyer, box office, office, shop, store, projection room, male, female and accessible toilet, cinema 1 (121 seating), cinema 2 (104 seating), 3 large dressing rooms, former costume hire room, workshop, boiler room, 3 non public toilets and showers and equipment store.

ii) First floor - restaurant with bar, kitchen and store, upper foyer, coffee bar, male, female and accessible toilets, orchestra pit, scenery store, male and female toilets for performers, office, stage door, store, studio reception, cloaks, function hall with bar and servery, kitchen, chair store.

iii) Second floor – 3 offices, technical and lighting store, theatre auditorium (450 Seating), 4 dressing rooms, 2 store rooms.

iv) 3 offices, old projection room, plant and store.

Copies of floor plans are attached in Appendix D

1.11. The Business Plan has been prepared by the following Sevenoaks Town Council staff:-

i) Chief Executive / Town Clerk Linda Larter MBE, BA (Hons), FILCM

- Considerable project and facility management – awarded MBE in 2000 for delivery of a community project;
- Chief Executive of Quality Town Council;
- Awarded Fellowship in 2007 in recognition of professional services;
- Experience of managing a community arts theatre.

and
ii) Responsible Financial Officer

Doug Abbott, MA, FCA

- Responsible Financial Officer to Sevenoaks Town Council for 11 years.
- Chartered accountant with MA degree in management;
- Over 16 years venture capital experience with major City investment houses;
- Specialises in media and entertainment investment; has own film financing business and has previously owned one of the UK's first video projection cinemas at the Trocadero near Leicester Square (1986-88)
- Financial Adviser to British Screen Advisory Council (an industry lobbying organisation); treasurer of the Grierson Trust for documentary film (a recognised charity); former member of the British Film Institute's sponsorship and support group
- Non-executive Chairman of Ignite Strategic Partners, a Midlands – based consultancy specialising in small and medium sized businesses.

1.12. Sevenoaks Town Council also has within its elected members a strong base of knowledge, expertise and professional expertise ranging for example from accountants, senior civil servants, past directors of the Stag and persons involved in the local arts community. Similar skills are available from the voluntary sector who have offered support to the Town Council.

1.13. Sevenoaks Town Council would consider re-locating its Tourist Information Centre to the foyer of the Stag in order to assist with underwriting the revenue costs relating to the facility.

1.14. Sevenoaks Town Council here propose a draft business plan for the long term management of the Stag complex. Should Sevenoaks District Council want to progress with the proposals discussion can be entered into regarding the management of the complex during the interim period with or without third parties.

1.15. The Charitable Trust will meet key statutory requirements either by employing or by contracting of qualified staff / contractors compliance with the following statutory requirements. During the process of creating the Charitable Trust the following will be under the umbrella of Sevenoaks Town Council:-

- Health and Safety
- Child Protection
- Race Relations Policy
- Equal Opportunities Policy
- DDA compliance
- Insurance

**IMPORTANT NOTE**

Sevenoaks Town Council's draft Business Plan had been produced with limited information and discussion with other interested parties. This was due to the short timescale available and not to be taken as any decision on the part of the Town Council to rule out viable to
ensure the long term success of the Stag. Following the circulation of the initial draft business plan input was received from several sources and included within this revised document.

In particular sufficient time has not been available to research the viability and benefits of providing a combined Stag Community Gateway scheme. It is possible that there could be advantages including sustainability benefits however these would need to be balanced against some of the loss for artistic use within the complex.

Sevenoaks Town Council gratefully acknowledges assistance from Stag documents produced by Sevenoaks District Council and SCAT and also the Chequer Mead Business Plan.

The purpose of the financial projections in the Business Plan is to demonstrate that a successful business model which operates in East Grinstead is feasible at the Stag, and can be supported by Sevenoaks Town Council.

2. PROPOSED AIMS AND OBJECTIVES OF THE STAG CHARITY

2.1. The proposed primary objectives of the Charity are three fold:

i) To advance the public education by fostering and promoting for the benefit of the public, improvement and development of artistic knowledge and taste, understanding and appreciation of the Arts and Crafts among the inhabitants of the Area of Benefit;

ii) To provide and assist in the provision of community facilities for recreation and leisure time occupation of the inhabitants of the Area of Benefit in the interest of social welfare and with the objectives of improving their conditions of life in particular but not exclusively by the provision and maintenance of a Community Arts Centre; and

iii) To further such other charitable purposes for the benefit of inhabitants of the Area of Benefit as the managing trustees see fit from time to time.

2.2 For the purposes of the Declaration of Trust it needs emphasising that 'the Area of Benefit' means the area of Sevenoaks or the neighbourhood Sevenoaks District thereof.

2.3 In addition to the objects of the proposed Charity and in furtherance of these, but not for any other purpose, the Managing Trustees may exercise any of the following powers:

To provide or to foster or subsidise the establishment of and Arts and Community Centre at Stag Community Arts Centre or such other facilities as the Managing Trustees may determine in the Area of Benefit.

To carry out, foster, promote, support or subsidise activities outside the Area of Benefit that is considered by the Managing Trustees that such reciprocal benefits will accrue in the Area of Benefit;
To present, produce, manage, conduct, present or promote at Stag Community Arts Centre or at any church, church hall, theatre, music hall, arena or place or amusement or entertainment or at or upon any land or premises such recitals, lectures, plays, dramas, tragedies, comedies, operas, burlesques, pantomimes, revues, promenade and other concerts, musical and other pieces, ballets, dances, films, television and radio broadcasts, conferences, lectures, festivals, exhibition, carnivals, pageants, displays of architecture, sculpture and paintings, and events as will contribute to the attainment of the primary objects and to apply for all necessary licences and similar rights; and to establish, operate, provide or carry on, or licence the establishment, operation, provision and carrying on at or in any building in which the Charity is interested for the promotion of its objects such amenities for persons attending a performance, meeting or function being presented or sponsored by the Charity as are considered by the Managing Trustees as necessary or appropriate for such performance meeting or function, and to produce printed matter, posters, scenery and equipment of all kinds for any such performance meeting or function whether or not under the aegis of the Charity;

To present or assist in presenting or sponsor or assist in sponsoring public concerts, dramatic performances, recitals, arts exhibitions, lectures, competitions, arts festivals, broadcasts and other forms of fine arts, music and dramatic arts and creative activities for young people in the Area of Benefit;

To establish, operate and to carry on at or in any such venture or function car parks, bars and refreshment rooms for the supply thereat of food, drink and other refreshments and cigarettes, cigars and tobaccos of any kind by way of sale and for the purposes aforesaid (but for no other purpose) to carry on businesses as caterers, victuallers (whether licensed or not) and apply for and obtain and renew in the name of the Charity or of any agent or servant authorised by the Charity all or any necessary or proper Justices or other licences for the purpose of such supply and to make regulations for that purpose;

To establish and maintain art galleries and studios;

To prepare print, publish or issue any books, booklets, pamphlets, programmes, pictures or reproductions of any works of art or craft;

To assist educational authorities and institutions or other groups of persons in disseminating knowledge of contemporary art or craft by means of exhibitions, lectures or otherwise;

To disseminate the capabilities results and issues arising from the activities of the Charity;

To act as a co-ordinating body for activities which promote the objects of the Charity within the Area of Benefit, and to develop links and projects with and provide the means of liaison between Local Authorities, arts and crafts and community service bodies and groups of all kinds;
To purchase and otherwise acquire and obtain exclusive and other interests in copyrights and the rights of representation and any other rights of or in plays, operas, songs, music or other musical and artistic compositions;
To take steps by oral or written personal appeals, public meetings or otherwise for the purpose of raising funds for the Charity whether by donations, annual subscriptions or otherwise provide that the Charity shall not undertake any dominant trading activities otherwise than in carrying out the primary objects of the Charity;

To lend monies to such persons, upon such terms and with or without security and subject to such conditions as may seem desirable;

To purchase, subscribe for, or otherwise acquire and hold shares, stock or other interests in, or obligations of any other company or corporation;

To promote or aid in the promotion of any company or companies or for any purpose, which may seem directly or indirectly calculated to advance the objects of the Charity;

To take gift of property whether or not subject to any special trust or restriction for any one or more of the objects;

To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which may be necessary or convenient for the promotion of the primary objects, and to construct, maintain and alter any buildings or erections necessary or convenient for the work of the Charity;

Subject to such consents as may be required by law to sell, let, mortgage, manage, dispose of or turn to account all or any of the property or assets of the Charity as may be necessary with a view to the promotion of the primary objects;

To undertake and execute as may be required by law to borrow or raise money for the purposes of the Charity on such terms and on such security as may be thought fit, subject to such consent as is required by law;

Subject to such consents as may be required by law to borrow or raise money for the purposes of the Charity on such terms and on such security as may be thought fit;

To invest the monies of the Charity not immediately required for its purposes in or upon such investments, securities or property as it may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;

To establish and support or aid in the establishment and support of any charitable associations or institutions and to subscribe or guarantee money for charitable purposes in any way connected with the purposes of the Charity and calculated to further its objects;

To encourage and support the establishment of charitable associations, societies or groups within the Area of Benefit to support or participate in the primary objects of the Charity;
To make all reasonable and necessary provisions for remuneration of employees and for the payment of pensions and superannuation to or on behalf of its employees and their widows and other dependents, and;

To do all such lawful things as will further the attainment of the above objects or any of them.

2.4. The Stag Community Arts Centre will only operate within the objects of the Charity and the powers related thereto.

3. **PROPOSED BUSINESS STATUS**

3.1 The Stag's programme and main purpose will focus around the community and education. All aspects of the business – planning model will seek to ensure that those objectives are met. It will be implemented through the Centre's programme of events and activities in collaboration with groups and organisations hiring the Centre.

3.2 Sevenoaks Town Council proposes to establish a Stag Charity Committee to discharge its legal responsibilities as sole custodian trustees for the STAG. The Terms of Reference for the Charity Committee, which will comprise all elected Town Councillors, will be as follows:

"To further the objects of the Stag Community Arts Centre Charity strictly within the terms of the appropriate declarations of trust and charitable law according to the requirements of the charity commission."

3.3. To assist the Stag Charity Committee to achieve its objectives and to ensure a degree of community engagement in the operation of the Charity it is proposed that a Stag Planning and Review Group be established. The Stag Planning & Review Group to consist of five members of the Stag Charity Committee and with representatives (number to be determined) of other interested bodies and hirers. The Chairman and Vice Chairman of the Stag Charity Committee will be members ex officio. The Planning & Review Group would have the following terms of reference:

'The Stag Planning & Review Group will provide a forum for Town Council Members, other invited representatives of stakeholders in Stag and the Chief Executive Officer of Stag to provide the Charities Committee with input on operational, programming and planning issues and assist the Charities Committee in its scrutiny responsibilities.

The Group will have five members appointed by the Town Council, including the Chairman and Vice Chairman of the Stag Charity Committee. The Town Council will invite Stakeholder organisations to nominate representatives to the Group to ensure community input to the management and development of the Stag.

The Group’s Chairman and Stag's Chief Executive Officer will draw up agendas for the Group's meeting jointly.

The Group should meet regularly with one meeting held not more than ten days before the next scheduled meeting of the Stag Charity Committee.
3.4. The Stag Community Arts Centre can be divided into the following cost centres:

- Stag Theatre
- Stag Cinemas
- Rooms for hire – including Plaza Suite
- Restaurant & Bar areas
- Trading (i.e. souvenirs)
- Tourist Information Centre

3.5. It is proposed that the initial staffing structure allows for costs associated with the following (full time posts may be considered as job share)

- Chief Executive (full-time)
- Deputy Chief Executive (full-time)
- Theatre Technical Manager (full-time)
- Assistant Theatre Technical Manager (full-time)
- Marketing and Public Relations Assistant (full-time)
- Finance Officer (part-time)
- Administrative Assistant (part-time)
- Box Office & Volunteer Co-ordinator (part-time)
- Cinema Manager (full-time)
- Cinema Assistant Manager (full-time)
- Cinema Operational Staff x 3 (part-time)
- Cleaner (part-time)
- Clerk to the Trustees (part-time)

3.6. In addition to paid staff it is anticipated that the Stag will be supported by volunteers from the local community who will undertake certain functions on a strictly voluntary basis. Such functions could include box office, publicity, front of house, bar stewarding and technical (subject to appropriate training provided). Use of volunteers would enable the increased use of the Stag and lower operating costs than would otherwise be the case, making the Stag more viable to run.
It is proposed that the Stag would put in place a dedicated training programme for volunteers, this could also be combined with staff training where appropriate to reduce costs and build the team.

3.7. **HIRING POLICY**

It is proposed that the hiring policy for the Stag be agreed at the first meeting of the Charity when created as per following:

a) It is proposed that the Stag operates using the policy which has worked well at Chequer Mead of a strict adherence to the 'no guarantees' policy. This has provided Chequer Mead with excellent financial performance during recent years. This policy would be reviewed after two years.

b) If more than one enquiry for bookings is received local community groups and organisations receive priority at all times, particularly those involving school children / students or amateur dramatic societies. (If a booking has already been confirmed it would not be cancelled). Flexible usage will be required to meet all needs.

c) The Chief Executive Officer will arrange to meet approximately every six months with regular hirers and letting organisations to discuss general issues pertaining to the operation of the Stag and to answer questions.

d) All fees and charges will be as officially set and approved by the Trustees. Should, in any circumstances, a variation to these by agreed by the Chief Executive Officer then a written report of justification must be prepared, copied to the Chairman of the Charity Board for information and the original retained on file for audit purposes. No other member of the Stag staff would be authorised to agree variations to the approved charges schedule.

e) All theatre bookings for two nights or longer must be agreed with the Chief Executive Officer or, in his absence, the theatre’s Technical Manager. A signature with date on the booking form will confirm the booking is approved.

f) Care will be taken at all times to ensure that the theatre is not let to similar events that clash within a short period of time. For example, no children's shows will be booked four weeks before or after a pantomime. Big Band concerts should be phased throughout the programme and not in close proximity and similar consideration should be given for operatic, serious plays, light drama etc. The Stag's Chief Executive will be responsible for ensuring this happens.

g) In taking new room hires care must be taken to ensure that the costs associated with such hire do not exceed the income benefits. In particular special care must be taken with regard to monthly bookings that might leave three weeks per month otherwise vacant.

h) Staff at the Stag must ensure that they do not overstretch themselves in terms of theatre use. When considering bookings regard must be had to what else is
in the theatre around that time, availability of technical resources and availability of volunteers. If the date is inconvenient then the booking should not be taken but an alternative date proposed which would better suit the Stag organisation. It should also be noted however that for example in the case of technical staff, it is possible to hire in additional bodies on a casual basis, and if the cost of doing so is less than the hire cost and other revenue benefits it would seem to make sense to do so.

i) All hiring and letting documentation must be kept fully up to date and accessible for audit at any time. Any verbal agreements, changes agreed subsequent to the original letting etc. must be recorded in writing, dated, signed and filed with other contractual papers on the individual file.

3.9. Publicity & Promotion

a) A programme of events will be produced to cover a four monthly period. The programme of events should be produced to a good standard, making full use of colour and photographs and include advertising. Copies of the programme of events should also be available at other venues throughout the town and neighbourhood.

b) A database mailing list should be established and the programme of events regularly distributed.

c) In addition posters to events should be displayed within the Stag and on notice boards within the town.

d) The Stag should have its own website, linked to appropriate other organisations and if possible interactive.

e) The Stag’s Chief Executive will arrange for the production of a long term marketing strategy taking into account views from interested parties.
4. Differences between a Charitable Trust and a Limited Company

Introduction (from Charity Commission website)

Charities can be run in many different ways. This will depend upon the type of document that contains the rules for running a particular charity (the charity's governing document). The charity trustees are the people responsible under these rules for controlling the management and administration of the charity, regardless of what they are called.

Here are some examples:

<table>
<thead>
<tr>
<th>Type of charity</th>
<th>Governing document</th>
<th>Usual title of the charity trustees</th>
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<tr>
<td>unincorporated association</td>
<td>constitution or rules</td>
<td>The Executive or Management Committee</td>
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<tr>
<td>or society</td>
<td></td>
<td></td>
</tr>
<tr>
<td>charitable company</td>
<td>Memorandum and articles of association</td>
<td>Directors</td>
</tr>
<tr>
<td>charitable trust</td>
<td>trust deed or will</td>
<td>Trustees, Governors</td>
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</table>

A charity’s **governing document** contains all the information needed to run a charity. A modern governing document usually includes:

- what the charity is set up to do (known as the objects);
- how the charity will do those things (known as powers);
- who will run it (the trustees);
- how it is run and what internal arrangements there are about meetings, voting, looking after money, etc (administrative provisions);
- what happens if the administrative provisions need to be changed; and
- what happens if the charity wishes to wind up.

What are custodian trustees?

A charity which is not incorporated (for example, a trust or an unincorporated association) cannot itself hold land or many types of investment, because it lacks what is called "legal personality". For this reason, its land or investments must be held by individuals or an incorporated body on its behalf. Some charities have custodian trustees. The job of a custodian trustee is very different to the job of the charity/managing trustee. The function of custodian trustees is simply to hold the legal title to the charity's property or investments. Custodian trustees have no role in the charity’s management. They must act on the instructions of the charity trustees, unless they are told to do something that is not allowed by the governing document or by charity law.
Principal matters to be considered

In the context of the above, the following may be considered to be the key issues when deciding on the structure of the proposed trust:

1. Governing document -
   From the above table it can be seen that the governing document of an unincorporated trust will be the trust deed. For a company, it will be the company’s memorandum and articles of association.

2. Administration -
   A charity that is formed as a limited company will need to file two separate annual returns, one to the Charity Commission and one to Companies House. The public can access all of this information. There is a small filing fee for Companies House returns. In both cases, returns can be submitted on-line.

3. Responsibilities of trustees/directors -
   In addition to complying with Charity Commission directives and recommended practice, directors of a limited company will also be subject to the provisions of the Companies Acts. The late filing of returns and accounts attract penalties for which directors may be personally liable, as well as being criminal offences.

4. Personal indemnity -
   Trustees may be held personally (and jointly and severally) accountable for liabilities incurred by the trust. Charities that are formed as limited liability companies are usually in the form of companies “limited by guarantee.” This means that there are no shareholders, but subscribers to the company’s memorandum and articles “guarantee” the liabilities of the company up to a given level (e.g. £5 or £10 each). The subscribers need not be the same as directors/trustees.
   This “limited liability” is often cited as one of the main reasons for setting up a charity as a limited company. In addition, there are provisions that enable directors to be indemnified by the company against personal claims.

5. Custodianship of assets -
   As mentioned above, it is easier to hold assets within a limited liability company than in an unincorporated trust.
5. **Disability Discrimination Act 1995**

In order to establish a facility’s compliance with the Disability Discrimination Act 1995 it is normal practice to carry out an Access Audit. The Town Council has been supplied with a copy of the 2004 full access audit, at present it is not envisaged that the property has changed extensively, and therefore it is not considered an economic benefit to commission a new study.

No existing premises such as the Stag are unlikely to ever fully comply with the DDA and has often been said improvements to benefit one group of users may Disadvantage another group with different needs.

When the building was refurbished in the 1990s it complied with Part M of the Building Regulations, at that time the only requirement related to accessibility.

The 2004 Access Audit provided the following summary of the general access issues at the Stag Theatre.

- Inadequate toilet provision for disabled users. Accessible WC provision has been provided although is generally inadequate sized and poorly detailed.

- Lighting levels throughout the building generally inadequate with a number of areas identified where improvements required.

- Signage inadequacies noted throughout with generally limited provision. Existing signage and notices generally poorly set out, giving little consideration for vision impaired users.

- Box Office / ticket counter has not intended provision for disabled users.

- No accessible public payphones are provided.

- Various issues with stairs throughout the building, including poorly distinguished stair nosing and inadequate handrail provision.

- No Evac chairs provided throughout, although an evacuation lift has been fitted.

- No toilet accommodation for ambulant disabled users.

- No access for wheelchair users to the stage area or adjacent dressing rooms.

- No access for wheelchair users to the ground floor dressing room areas. In addition, there are no shower or toilet facilities for ambulant disabled users.

- There are some issues with door clear opening widths throughout the building. A number of these are double door sets where the dingle door width is inadequate.
• Access for theatre workshops, theatre groups and the like is generally poor and this requires further investigation in respect of the services being provided, and from which areas.

• Access and provision for disabled actors, performers and the like is poor. Whilst this probably does not fall under the DDA Act this could impact upon the theatre and accordingly, improvements to these areas should not be overlooked.

The 2004 Access Audit identified recommendations to the value of approx £100,000*. However of these 28 items ranging in size of project were classified as urgent to comply with the DDA Act, totalling to a value £40,000*. Some matters had been addressed or were being in the process of being addressed. The majority however could not be completed until such time as a major refurbishment took place.

The items in the Access Audit report can be broken down into three categories, items which can be undertaken, matters that can be resolved without physical changes to the building but by management procedures and those that are impractical to implement without a major redesign of the premises.

* (noted that costs are likely to vary due to timescale difference).
6. PROPOSED FUTURE STRATEGY AND IMPLEMENTATION

6.1 The forward planning strategy in this business plan aims to ensure that the Stag operates within its means, adheres at all times to the charitable objectives of the Trust and that it seeks to establish a level of reserves which will ultimately be maintained at a minimum six months gross operational expenditure. It may take several years to achieve the level of reserves desired.

6.2 It is proposed that in order to achieve the Business Plan objectives the Trustees will increase fees and charges (as per Appendix B) are increased each year at a minimum in line with inflation. Where there is researched evidence that specific fees and charges are out of line with comparable venues the trustees will look carefully at adjusting those prices, if necessary phased over a number of years.

6.3. The objectives of the various operational costs centres are as follows:-

a) Stag Theatre

- To operate under the principles set out in section 3.7 of this Business Plan, providing a stable venue for performers and audience alike.

- A development goal will be to secure long term bookings for annual winter pantomime or similar event.

- Provide a good variety of programmes to cater for all tastes, with a mixture of amateur and professional.

- Prepare a capital refurbishment programme.

- Provide clear fee structure, clearly publicised assisting community groups with long term planning, budget setting and sustainability.

- Consideration of increased working with schools as a venue for arts type festivals.

b) Stag Cinema

- To actively investigate the viability of the cinemas being operated within a franchise. Within in any franchise agreement a set monthly income will be agreed with additional sum related to attendance.

- Investigate the purchase of digital cinema equipment rather than leasing.

- Prepare capital refurbishment programme.

- Provision of matinee shows for older people and those relying on public transport.
- Consider the introduction of a children’s cinema club (possibly Saturday mornings)

- Consider providing viewings of films to market to niche markets – Star Trek, Elvis or Bollywood for example.

c) **Room Hire**

To actively market and generate additional room hire, particularly in relation to the Plaza suite.

d) **Restaurant & Bar Areas**

Consider methods to obtain maximum profit from bar areas, possibly holding stand alone events in the bar area.

Consideration be given to providing a catering franchise, a set monthly income to be agreed with incentives for customer numbers.

e) **Trading**

Maximise income from Stag souvenirs. Consider the viability of a mascot.

f) **Youth Outreach Work**

Continue to include and develop youth outreach work based on Sevenoaks District Council and KINO arrangements, providing opportunities for young people to engage in the arts, including courses and training opportunities.

g) **Tourist Information Centre**

Consider joint working methods and facilities (e.g. counter service) equipment which can benefit facility.

The footfall of the TIC in its current location is approx 40,000 per year (however it is noted some may be as a direct walk through from the library adjacent). The TIC moved to the Stag would increase its footfall and vibrancy.

6.4 **Other Income**

It is proposed that core revenue funding support for the Stag Community Arts Centre will come from Sevenoaks Town Council. The first year’s revenue subsidy would be £3.05 to each average Band D home in Sevenoaks, but the forecasts show a small surplus in each subsequent year. The Business Plan includes an initial capital investment of £50,000.

Further revenue support is provided by Sevenoaks District Council; £50,000 for management costs and £50,000 for youth outreach work. A commitment will be sought from Sevenoaks District Council to identify over a number of years.
Every effort will be made to obtain external funding from grants and other available sources including fund raising. For the purposes of the initial business plan it is appropriate that any income achieved from such approaches should be additional to the budget and there be no reliance upon this source.

The proposed financial budget is attached in Appendix C (confidential)

6.5 Operational Costs

As a policy Stag management will apply stringent cost control measures in all aspects of the business. The budget will be managed closely with effective liaison between the Charity management and Sevenoaks Town Council as core funders.

6.6 Long term aims and aspirations

i) A feasibility study be undertaken to consider the benefits of incorporating a community and or youth café within the complex.

ii) A feasibility study be undertaken to demonstrate whether it is practical, a need and or desired to install a two storey art gallery to the side of the building, noting there is already a gallery within the kaleidoscope centre.
7. DEVELOPMENT OPPORTUNITIES AND RISKS

7.1. The aim of the new created charity would be to develop the business activity of the Stag in a way that is fully sustainable and ensures that the Stag remains financially sound for this and future generations.

7.2. A primary objective of the new created charity would be to eliminate risk from the business. To achieve this there will be specific responsibilities accorded to the Trustees, the Clerk to the Trustees and the Stag Chief Executive Officer, details as follows:

a) **Trustees** will ensure that at all times they will fulfil their obligations as Trustees to the Stag Community Arts Centre remembering their primary responsibility to the Trust and not the Town Council (the sole custodian trustee) and adhere fully to charity law as set out by the Charity Commission.

b) The **Clerk to the Trustees** will, at all times, ensure that Trustees are aware of their legal obligations, documentation is properly completed in accordance with the requirements of the Charity, returns are made in a timely and accurate way to the Charity Commission and that meetings are properly called and recorded. The Clerk to the Trustees will also ensure effective liaison between the Stag Chief Executive Officer (the head of paid service for the Trust) and Trustees; and

c) The **STAG Chief Executive Officer** will, at all times, ensure that the Stag is staffed to minimum requirements, that the Stag is working in accordance with the requirements of the Deed of Trust and Business Plan, the Trust policies, including those relating to programming, are fully complied with and there is strict adherence with approved health and safety policies. The Stag Chief Executive Officer will also ensure that matters requiring policy attention are brought before the Stag Charity Committee or the Stag Planning and Review Group, as appropriate, in order that proper decisions and instructions can be given, and will then ensure that these are correctly actioned / fulfilled.

d) Business development opportunities will inevitably arise and not all can be anticipated. Because of the nature of the business those routine matters that clearly fall within the scope of the Trust Deed, approved policies and this Business Plan may be progressed by the Stag Chief Executive Officer without recourse to the Trustees, save for information reporting to the Charities Committee by the Stag Chief Executive Officer. For all other opportunities however there must be a detailed written report with full risk consequences and financial implications to the Trustees for decision.

e) This Business Plan will henceforth be reviewed on a regular basis with not longer than two years between reviews.
## RISK ASSESSMENT

<table>
<thead>
<tr>
<th>No</th>
<th>Potential Risk</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Change of political group / administration may not want to continue with project.</td>
<td>Consideration would need to be given to public opinion and Town Council reputation. Project has cross-party support.</td>
</tr>
<tr>
<td>2.</td>
<td>From 2013 Sevenoaks District Council could reduce or withdraw revenue grant funding.</td>
<td>The project will be developed giving 5 years to work up a viable business to meet the deficit and investigate alternative funding opportunities or partnership arrangements.</td>
</tr>
<tr>
<td>3.</td>
<td>Volunteers may be harder to find in future requiring increase to revenue costs.</td>
<td>A specific volunteer co-ordinator will be employed to maintain interest and assist volunteers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The project will however be staffed at a core basic level, volunteers would increase revenue income without corresponding costs.</td>
</tr>
<tr>
<td>4</td>
<td>Key members of staff could leave</td>
<td>Proposed staffing in budget gives a good depth of management. Policies to be put in place for enabling of cover, and succession planning.</td>
</tr>
<tr>
<td>5</td>
<td>Large capital expenditure could be required to the building</td>
<td>The plan includes a continuing budget for equipment and repairs. And a sinking fund for major items. Need to establish reserves, and long term maintenance plan. Also seek a programme of sponsorship.</td>
</tr>
<tr>
<td>6</td>
<td>Competing new facility could be provided nearby (although unlikely as there are already 3 theatres and 5 public halls in Sevenoaks)</td>
<td>Cinema and theatre facilities need to maintain modern facilities to compete in the market place. Long term management and marketing plan required.</td>
</tr>
<tr>
<td>7</td>
<td>Economic climate could result in fewer visitors and a reduction in revenue income.</td>
<td>Economic climate might mean could be beneficial with people not being able to afford to travel to other facilities. Option for Stag to extend range of theatre uses to attract additional business.</td>
</tr>
<tr>
<td>8</td>
<td>Potential fraud, cash handling</td>
<td>Financial controls to be put in place. Fidelity Insurance to be provided.</td>
</tr>
<tr>
<td>9</td>
<td>Health and Safety Risks</td>
<td>Personnel to be made aware of all relevant legislation, appropriate policies to be put in place.</td>
</tr>
<tr>
<td>10</td>
<td>Entrepreneurial risks on shows</td>
<td>Risk avoided due to letting system recommended.</td>
</tr>
</tbody>
</table>