

22 JUNE 2021

LITERARY & SCIENTIFIC INSTITUTE

REPORT OF THE TOWN CLERK

1.0 Purpose of Report

- 1.1 To summarise proposals for the future of the Literary & Scientific Institute (LSi) as set out by the Bridport Area Development Trust (BADT), and to consider a request for funding support and a Service Level Agreement with the Town Council.

2.0 Background

- 2.1 The BADT recently completed an options appraisal to establish a preferred plan for the future sustainability of the LSi, including delivery of community benefit. At the May 2021 Full Council meeting, members received a presentation from representatives of the preferred option. Whilst members agreed to support the approach in principle, further detail was requested to cement this support and to enable a decision to be made on a request for support funding, governed by a Service Level Agreement. The amount requested is £5,000 per annum for a three-year agreement in the first instance.
- 2.2 The requested information has now been provided in the form of:
- (i) A summary of the position and the preferred approach, drafted by Cllr Sarah Carney as the Town Council's appointed representative to the BADT, is shown at Appendix 1; and
 - (ii) A summary of the expected income and costs associated with the preferred option, and a comparison with the equivalent information for the other option considered by the BADT.
- 2.3 The Finance & General Purposes Committee considered these documents at its meeting on 14 June 2021, and requested that the matter be referred to Full Council, along with clarification on the following points:
- (i) The current position regarding a loan granted to the BADT by Dorset Council;
 - (ii) Clarity over the running costs of the LSi; and
 - (iii) How a Town Council contribution would help the BADT deliver its commitment to community benefits – both those outlined in the paper and any further requirements of the Town Council.
- 2.4 Following further liaison with the BADT, these issues are further discussed in 3 below.

3.0 Clarifications Requested

- 3.1 The current position regarding a loan granted to the BADT by Dorset Council. Arrangements for repayment of a loan of £37,400 granted in 2018 were not included in the financial proposals (for either of the two bids). This was because the loan terms did not specify a repayment timescale and Dorset Council had not indicated any likelihood of the debt being recovered over the 3 year business planning period. If and when a loan repayment is requested, the BADT would prefer that this to be over a 7-8 year period, and the preferred option shows a surplus that could contribute to such an arrangement. However, the Trust has sufficient reserves (currently c.£64,000 – although this includes a rent deposit of £4,000 and £7,000 of remaining resilience funds from the National Lottery

Heritage Fund, which have to be spent according to their wishes) to cover full repayment if no other option is available.

3.2 Clarity over the running costs of the LSi.

Previous discussions with the Town Council had indicated estimated annual running costs for the LSi of some £80,000, which does not marry up with the costs shown in the Crowdfunder/3DC proposal (£36,834pa in year 1 rising to £40,202 in year 3). The explanation is that the figure of £80,000 represents an estimate of the annual costs were the BADT to continue running the building as previously. The Crowdfunder/3DC proposal absorbs the staffing costs (which were reported as £47,491 in 2020).

3.3 How a Town Council contribution would help the BADT deliver its commitment to community benefits – both those outlined in the paper and any further requirements of the Town Council. The benefits as indicated in the preferred option are:

- that the building will be kept open and maintained,
- employment for local workers, including apprenticeships,
- the retention of the prestigious Crowdfunder 'brand' in Bridport,
- a programme of work with schools by 3DC with a human rights, environmental, and economic justice focus, supported by over 40 mentors,
- the retention of hireable spaces for charities, community groups, individuals and businesses, with reduced fees/no fee for groups with limited funds,
- a minimum of six public events each year on topics of community value, arranged by Crowdfunder/3DC, and
- opening of the LSi for Dorset Architectural Heritage Week.

3.4 In addition, the Town Council could, as part of its SLA, require for example one free use of the public area of the building per annum. A three-year SLA with annual review would give the Council a means of holding the BADT to account in delivering these outcomes, with the option of not renewing the arrangement after three years. The support funding provided to the BADT would also help in any external funding applications they make – external funding that could open avenues for additional community benefit.

4.0 CONCLUSION AND RECOMMENDATION

4.1 In giving 'in principle' support for the proposed way forward, members have previously indicated that the Town Council is content with the process followed and the proposed future approach. The further information and clarification has now been provided and there is no obvious obstacle to making a decision on the requested funding and SLA for a three-year period running to 2024 – which, coincidentally, fits with the funding period for all other SLA arrangements.

4.2 To enable the BADT plan to proceed with confidence, members are now asked to approve funding support of £5,000 per annum, supported by a Service Level Agreement that enshrines the community benefits described in 3 above as required outcomes, subject to detailed wording delegated to the Leader and Town Clerk, and annual review in line with other SLA arrangements.

16 June 2021

Will Austin
Town Clerk

BADT's plans for future use of the LSi and request for an SLA grant from BTC

Following requests for further information after presentations to BTC meetings, the BADT would like to submit below an update on the proposals for the future of the LSi, along with a request for an SLA grant in order to help secure the community offer contained within the new plans.

As reported before, an objective evaluation process (based on independent advice received on the recommendation of Dorset Council and Dorset Mentoring Service and endorsed by the NHLF) of the feasibility studies received by the two bids submitted for future use of the LSi, found that the CF/3DC proposals scored more highly overall (by 9%).

Financial sustainability

Financial feasibility was weighted most heavily in the evaluation process. Although CF/3DC scored better, both feasibility studies contained shortfalls and were sent back for additional information and financial rigour. CF/3DC then secured a local financial services company (which has asked not to be named until it has had time to inform its current landlord and completed contract negotiations) interested in becoming another tenant in the building.

Thus, CF/3DC was found better able to provide the financial foundation necessary to keep the building running. The Arts Fab Lab only met around 5% of the necessary cost through secure and guaranteed income. Their proposal was for the perpetual pursuit of grants and other unpredictable income sources.

Please find attached at Appendix I (under separate cover) a comparison of the way in which both bids proposed to meet the costs of running the building.

BADT trustees confirm that all three tenant partners remain fully on board with the plan and are currently working with their solicitors on contractual and lease arrangements.

The NHLF supports BADT in their chosen partners and Dorset Council has written in support of the proposals (25 05 21).

Community benefit and putting Bridport on the map

The Trust is confident the partnership will deliver a wide range of benefits:

1. **Keeping the building open and maintained** — the new combination of tenants ensures that the LSi is sustainable and will be well maintained and well managed during economically uncertain times.
2. **Providing employment opportunities** — for the local workforce, support for business startups and mentoring for ambitious young people from all backgrounds.
3. **Putting Bridport on the map** — as a vibrant, forward-looking hub for the development of personal and business skills relevant to the challenges of today's world.
4. **Retaining Crowdfunder's thriving office in Bridport** — where it will continue as a growing, high-tech operation helping individuals, groups and businesses, locally and nationally, to raise funds for new enterprises and worthy causes.
5. **3DC** — offers opportunities for young people from any background to become 3DC apprentices in the context of human rights and environmental and economic justice. They will be mentored, trained and supported by:

- A local and remote schools programme (primary and secondary) raising awareness of 3DC's opportunities for students. It has already engaged with seven local secondary schools who have welcomed the concept.
 - One-to-one mentoring for young people at different stages of their development, work experience, internships and 3DC apprenticeships; unlocking qualifications, skills for project development and opening doors to employment in the third sector.
 - A concrete and practical resource development programme training the apprentices to raise funds for their projects in partnership with CF.
 - More than 40 mentors with experience and expertise in a wide range of fields.
6. **Keeping the LSi's doors open** — to charities, community groups, individuals and businesses by making the events, meeting and training spaces (including the atrium) and the desk spaces available both to those able to pay and to those not able to pay.
 7. **A minimum of six bookable public events a year**, presenting future-facing topics created and delivered by the people working in and from the LSi.
 8. **LSi open days** — Dorset Architectural Heritage Week will be supported to allow the community to explore the whole interior of this historic building annually.

Bridport has very little to offer our young people, particularly in terms of training, employment and career opportunities (one of the original and current purposes of the LSi), and 3DC presents an exciting and unique opportunity to go a little way towards closing that gap. In the past, the LSi has been perceived by some to be rather exclusive, aloof and alienating to some parts of the community. BADT trustees will be seeking to ensure that 3DC offers equal opportunities to all the town and surrounding area's young people and gives them a sense of ownership of this building.

The lease with new tenants allows BADT to track and monitor the community benefit and community use. BADT is confident that the plans will ensure a bright, sustainable future for a Bridport landmark safe from an alternative of solely commercial use.

Public engagement

BADT's public engagement exercise asked people to read the plans and then undertake a feedback survey. The survey ran between 6–25 May and was viewed 4,775 times on several social media pages (paper copies were also made available at the Tourist Information Centre). Of the 70 respondents, the majority found the proposals 'very satisfactory'/'satisfactory' (full survey results readily available on request).

Conclusion

In the past year trustees have worked hard to significantly reduce running costs and successfully applied for grants that have enabled the LSi to get through the Covid crisis. Without these grants the LSi would have gone under. But the building also needs a reliable income to survive in the long term.

The base cost of running this building with a single staff member is around £80k per annum. It would not seem acceptable for any community group/charity to have to spend time in endless pursuit of hopeful funding to find the annual cost of running and managing this building before a penny can be spent on the charity/community beneficiaries themselves.

The anchor commercial tenants will secure the necessary guaranteed, regular and sustainable income, while allowing the 3DC charity to develop the LSi as its home at a time when providing a future for Bridport's young people, from all walks of our local society, is more urgent than ever.

While NHLF have approved BADT's proposals they, in turn, seek confirmation from the other funders that they are also on board. This is particularly the case in terms of Dorset Council and Bridport Town Council. Therefore, a statement of support and the tangible endorsement of an SLA grant to enable the BADT to take these proposals forward and secure the community offer contained within this plan will be invaluable.

Cllr Sarah Carney

11 June 2021

Literary and Scientific Institute – Financial Information

Comparison of income and costs two proposals - revised

Crowdfunder/3DC

	2021/22	2022/23	2023/24
Income	£	£	£
Income	39,798	42,500	42,500
Grants (Forecast)	5,000	5,000	5,000

Total Income	44,798	47,500	47,500
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Expenditure

Utilities (gas,electricity,water)	7,291	7,583	8,565
Repair & Maintenance	4,752	4,860	5,832
IT, Comms & Equip rental	5,588	5,811	6,044
Cleaning & san.	10,971	11,480	11,939
Bookkeeping	3,600	3,744	3,894
Insurance	3,632	3,777	3,928
Legal costs	1,000		

Total costs	36,834	37,255	40,202
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Net surplus/(defecit) LSI	7,964	10,245	7,298
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NB cost of office management function (non-cash value circa £30k) included in proposal.

Consortium

	2021/22	2022/23	2023/24
Income	£	£	£
Income *	22,697	54,029	61,029
Grants (Forecast)	45,500	45,500	75,500

Total Income	68,197	99,529	136,529
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Expenditure

Utilities (gas,electricity,water)	7,291	7,583	8,565
Repair & Maintenance	4,752	4,860	5,832
IT, Comms & Equip rental	5,588	5,811	6,044
Cleaning & san.	10,971	11,480	11,939
Bookkeeping	3,600	3,744	3,894
Insurance	3,632	3,777	3,928
Legal costs	1,000		

	36,834	37,255	40,202
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Consortium Staffing & Other Running Costs	38,257	66,890	67,640
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Total costs	75,091	104,145	107,842
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Net surplus/(defecit) LSI	-6,894	-4,616	28,687
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* £4,166-£5,000pa guaranteed rental income. Other variable by demand.

Bridport Town Council Ethical Decision Matrix

If the decision is not likely to involve a transaction in excess of £5,000 or is a minor non-financial one, then the points below should be considered but the matrix need not be completed.

Scoring: highest scoring represents most negative ethical impact or lowest compliance with ethical policy.

Question	Option 1
Score the negative impact the decision could have on people, locally and/or globally.	1 2 3 4
This initiative aims to provide community benefit to local residents. There has been some public discussion of a desire to see the building more publicly available than is proposed.	
Score the negative impact the decision could have on future generations – economically, socially or environmentally.	1 2 3 4
The project aims to secure a community building and heritage asset for the future, and the proposed community benefit incorporates a focus on human rights and the environment. The proposals provide for local employment opportunities and to secure existing employment.	
Score the negative environmental impact the decision could have in the short term.	1 2 3 4
No short-term negative impacts are identified, although the proposals provide no specific discussion of the environmental impact.	
Score the negative economic impact the decision could have on local people.	1 2 3 4
The preferred option for the LSi aims to provide local employment opportunities and to secure existing employment. A fully commercial proposal could arguably provide greater economic benefit.	
Score the contractor as a living wage employer. (1=living wage employer, 4=not)	1 4
The BADT and proposed LSi tenants are thought to be living wage employers.	
Score the decision against the human rights standards of the Bridport Citizens' Charter. (1=most compliant, 4=least compliant)	1 2 3 4
A human rights focus in the proposals offers a degree of compliance, and specific benefits are noted in respect of Charter standards 4 (Personal and community culture) and 5 (Environment).	
Score (least ethical 24, most ethical 6)	11