

Prospectus of Pensilva Community Association CIO

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**August 2015. Important information for
the Parishioners of St Ive and for all
users of Millennium House Pensilva.**

Pensilva Community Association CIO

What is it?

Pensilva Community Association (PCA) is a new organisation whose aim is to improve our lives by organising community activities. (Full objects below).

PCA is a Charitable Incorporated Organisation (CIO), which means it is like a charity and a limited company combined.

PCA has come about as a result of the work of the Millennium House Forum which began about a year ago.

From day one PCA has taken on two enormous tasks: to organise Millennium House and the Pensilva Carnival. This leaflet deals mainly with Millennium House, but we intend that PCA will become a focal point for many community activities.

PCA will have several constituent parts. e.g. the Millennium House Events Group; a User Group Committee which will be responsible for running the Community Centre aspects of Millennium House; a separate group that will run the lettings side of the business; and a Community Interest Company called Pensilva Community Bar (PCB) which will run the bar in Millennium House as a 'trading subsidiary' of PCA.

All Millennium House staff will be offered employment by PCA (or PCB), effective when we start running Millennium House.

If all goes well PCA will take over the running of Millennium House on October 1st, 2015.

The objects of the Pensilva Community Association CIO are:

To provide facilities and organise activities in order to promote, for the benefit of the inhabitants of Pensilva, Cornwall, and the surrounding area (without distinction of sex, sexual orientation, age, disability, nationality, race or political, religious or other opinions) recreation or other leisure time occupation for individuals who have need of such facilities and activities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large, in the interests of social welfare and with the object of improving the conditions of life of the said inhabitants.

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Why do we need it?

Millennium House Pensilva (MH) is owned and managed by St Ives Parish Council. For some years MH has been incurring substantial financial losses. These losses were covered by increases in the “precept”, (i.e. increased Council Tax for the Parish’s ratepayers) and by depleting the Parish’s reserves. A point was reached where ratepayers were protesting about the increased precept and the reserves were at precarious levels. The survival of MH was threatened. Users of MH were worried they would lose their community centre and non-users were upset that they were paying too much, through their rates, for a facility they did not use. It was to try to find a solution to this problem that the MH Forum was formed in June 2014. At the centre of the Forum’s proposed solution was the principle that the users of Millennium House should take responsibility for it. This would be achieved by forming an association to take over the management of (and financial responsibility for) MH from the Parish Council. In short: **we need PCA in order that MH can be run in a financially sustainable way.**

How will it affect me?

ST IVES RATEPAYERS: The Parish of St Ives will help PCA with subsidies in the first three years. This recognises the fact that it could take some time to bring MH back to profitability from its current precarious position.

However, the amount of Parish money that goes towards subsidising MH will reduce over the three years, down to zero from year four. So, St Ives Parish ratepayers should see their rates go down over the next three years and after that MH will no longer be subsidised through your Council Tax.

MH USERS: PCA will be a very democratic body, so as MH users you will have a huge say in what goes on in your community centre. Along with that will come responsibility for its affairs. Everybody will need to pitch in and help.

PCA - how will it work?

These notes refer to the chart below which shows how Millennium House will be organised.

St Ive Parish Council will lease MH to PCA for a peppercorn rent. In effect the lease continues for as long as PCA continues to run MH successfully.

Pensilva Community Bar CIO (PCB) is a community interest company with an “asset lock” which ensures that its profits can only be used to benefit PCA. It’s job is to run the bar and it will have a number of Directors drawn from the local community.

Catering. Pensioners lunches, funeral teas, catering for private parties, etc. One way or another Millennium House will continue to provide this service, either in-house or by licensing to a third party.

Long Term Lets. All Being Well, Angie’s Pantry and the MH Post Office are all long term lets. These valued customers of MH will be offered contracts by PCA under the same conditions as they currently lease from the Parish Council.

Daytime lettings. The lettings side of MH activities, where customers rent rooms for meetings, adult education classes, etc., has very different characteristics to the community centre activities. Lettings are usually on weekdays between 9 and 5, while community activities are predominantly in the evenings and at weekends. Daytime lettings provide an important source of income for MH at a time when the centre would otherwise be fairly empty. This business will be looked after by a dedicated team, led by a volunteer co-ordinator.

Community Centre: User Group Committee. The community groups that use MH will be asked to take responsibility for organising the community centre side of MH activities. These groups will form themselves into a committee reporting to the Board of PCA trustees.

Events Group. This group has already been very active in organising events of all sorts, even before PCA has taken over the management of MH. The income for MH from these events will be an important part of turning around the losses currently incurred by MH.

Volunteers. With power comes responsibility. With the local community in charge of decision-making at MH, we are confident that many more people will be prepared to take responsibility for their community centre by offering their help on a voluntary basis - as happens in every other community centre!

The board of PCA will have up to 18 trustees: 3 nominated by the Parish Council, 6 by the User Group Committee, 2 by the Events Group, 2 coming from the volunteers and 5 co-opted by the remaining trustees for their knowledge, abilities and experience.

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What's the plan?

The business plan for Millennium House

The success of the business plan depends on 1) a substantial reduction in MH costs, 2) modest increases in MH income, 3) greater support from the community.

Cost reduction:

Two large savings immediately, namely 1) the manager's salary and 2) a 90% reduction in business rates due to PCA being a charity.

In addition, volunteering will have a large part to play. E.g. we hope to be able to open MH in the afternoons, when it is currently closed, and we hope to achieve this with no increase in staff costs as we expect volunteers to come forward.

Increased income:

Increases in income will come about mainly from increased usage of MH. On the community centre side this will be driven by an increase in usage: more functions, more going on. On the lettings side we will be taking a long hard look at the lettings tariff to see whether smarter pricing could lead to increased usage as well as increased income. We are budgeting for a 5% increase in bar sales and lettings income over the first 5 years. We believe this is achievable as this would return us only to the income levels of just 3 or 4 years ago.

In addition, we are very hopeful that PCA will not need to register for VAT and that PCB would not have to do so immediately and maybe never. Although this would mean that we would not recover VAT on inputs, we believe that non-registration would result in a net increase in income of perhaps around 5-10%.

Community involvement:

If you look around at community centres elsewhere, you find that they all survive and thrive thanks to the support of members of the community. Although MH has always had a number of loyal and dedicated volunteers, we feel that the new structure of the MH management, where the community is actually in charge, will inspire more people to get involved in all sorts of ways. We will need not just people's time but their ideas and suggestions.

Staffing levels:

We do not envisage any further reductions in MH staff numbers. We believe that the current level of staffing is sustainable and we will rely on the experience and knowledge of the current staff as we all adjust to the new arrangements.

The numbers:

The chart opposite is for the first 5 years of operations for PCA and PCB combined. The first two bars for each year show the forecast for income and expenditure respectively, and the third shows the resulting profit or loss. You will see that even with the improvements detailed above we are expecting to incur losses in years 1 and 2. By year 3 we expect to break even and in years 4 and 5 we expect to make modest profits.

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What's the plan? (continued)

Start-up Capital:

Bringing MH back to profit over a space of 3 years or so is fine in itself except that PCA does not have any money to start with and would therefore not be able to sustain any losses at all. That is where the subsidies from the Parish Council come in. The fourth bar in the chart below shows subsidies of £40,000 in year one, £20,000 in year 2 and £10,000 in year 3. The next bar then shows net cash (the subsidy for the year plus profit for the year (or minus loss for the year)). The final bar then shows the combined PCA/PCB reserves. i.e. the cumulative net cash from the start, less any money spent from reserves, e.g. on infrastructure projects.

With the help of the subsidies, plus the improvement in the business, PCA looks to be in a strong financial position after 5 years.

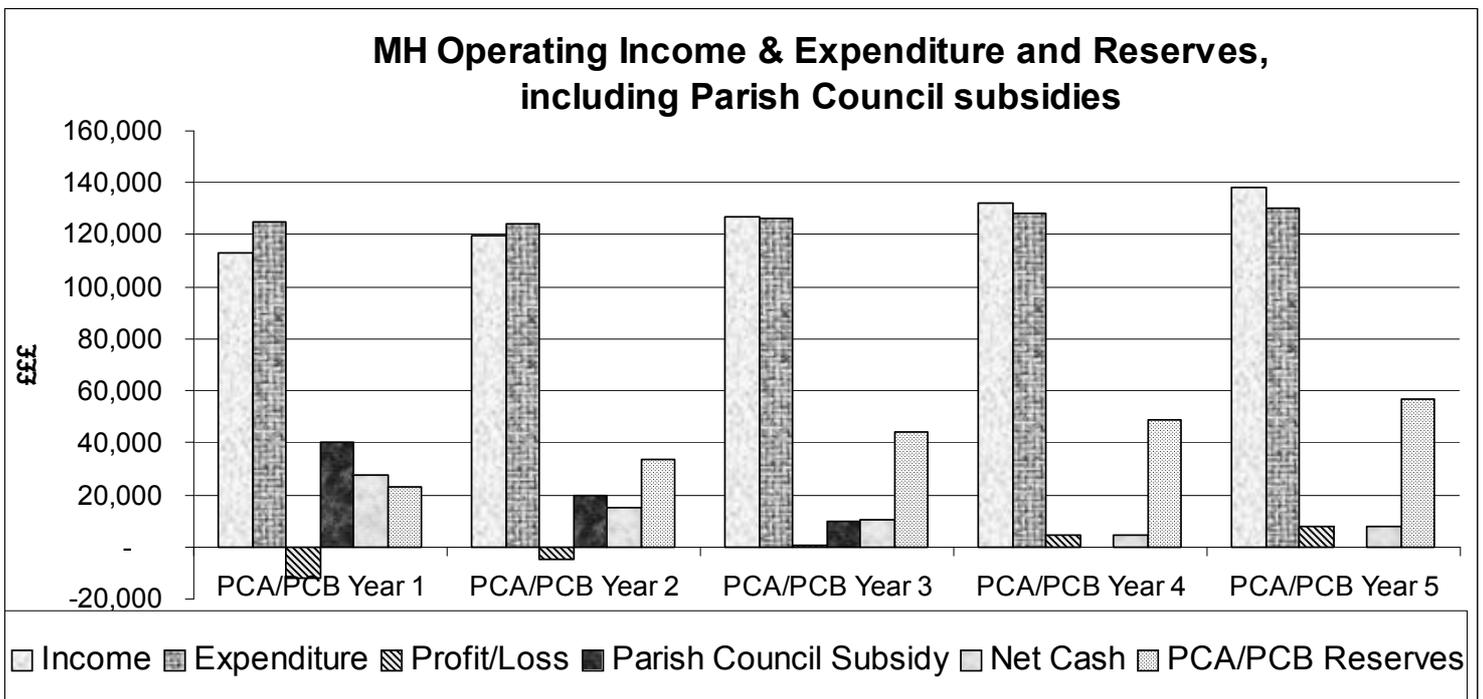
For the Parish Council and parish ratepayers this is also a good result. £70,000 is less than we could expect MH to lose over three years on current trends. Also, by ridding itself of MH expenditure, the level of reserves that the Council is required to maintain is massively reduced. And after 3 years the burden of MH is removed.

Grant funding:

We believe that PCA will have easier access to grant funding than the Parish Council has had to date. This will make it easier for us to undertake much-needed infrastructure projects, beginning with the renovation of the MH car park.

Working together:

PCA, the Parish Council, the MH Users, the MH staff, individuals from our community - all of us in partnership - we have the skills, knowledge and energy to turn MH into a facility that we can all be proud of. That's the plan!



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How can I help?

There are a multitude of ways that you can help, here are some of them.

You can support Millennium House events. If there's something on that you quite fancy but you're not too sure then take the plunge. You'll probably enjoy it and at the same time you'll be helping to secure the survival of our community centre.

You can volunteer. At first sight you might think that this could become a burden, but you'll be amazed how much fun it can be. You'll meet like-minded people, you'll be helping out in a relaxed, stress-free environment (most of the time!), you can do as much or as little as you like and your help will be valued. It will become a pleasure not a chore. (Please contact Jane Mann: 01579 362960 or janemann@tiscali.co.uk)

You can add your name to the lists of people who have useful skills. We will then contact you when your skills are needed. (Ask at MH reception.)

If you belong to one of the MH User Groups, you can put your name forward for the User Group Assembly. If chosen to represent your Group you can then put yourself forward to be on the User Group Committee and from there you might become a trustee of PCA. (User Groups will shortly be contacted about all this).

You can help the bar company. PCB is looking for people to sit on its board of directors. If you have experience of the pub/bar trade or you feel that you have skills and knowledge that would be useful to the bar company please contact Alan Moss 01579 362064 or alan@alan693.orangehome.co.uk)

You can put yourself forward as a candidate for one of the co-opted trustee places on the PCA board of trustees. Co-opted trustees are likely to be people whose knowledge, skills and experience are useful to the CIO at that time. For example, we would currently welcome someone with a legal background. Is that you? Contact Joe Bicarregui on 01579 364016 or joe@prolinguists.com.

You can joint the Events Group. They can always use more ideas and more help and organising events is so rewarding. Please contact Karen Lawrence on 01579 362196 or karenlawrence72@gmail.co.uk.

Or you can just give moral support. There's been enough negativity about Millennium House over the last 20 years or more to last a lifetime (at least!) Help us to change all that by staying positive and getting behind PCA and what it is trying to achieve.

Thanks for your support!