



Mareham le Fen Community Centre, Lincolnshire



Location

Mareham le Fen, Lincolnshire

Founded

2001

Legal structure

Charitable Trust

Description of activity

Owns and manages land and buildings

Key assets

A community centre and adjacent land

Staff and volunteers

No staff members and nine volunteer board members

Overview

Mareham le Fen village is a small village located near Horncastle in southern Lincolnshire. The original village hall was built in 1919, but by the turn of the 21st century was deemed not fit for purpose. In 2001 the local parish council set up a new trust to take on the ownership of the hall, but also to explore options for redevelopment, as potential sites for a new community centre were identified. One site, at the time used for agricultural purposes, was identified and efforts were made to establish who held the freehold. The Diocese of Lincoln claimed ownership and began negotiations with the trust about a leasing arrangement. Initially offered a 30-year lease, trust members felt this was insufficient and sought an outright purchase. To meet the valuation of £25,000, the trust put in £15,000 from its reserves, and received a grant of £5,000 and a loan of £5,000 from the parish council.

In order to develop a new community building on the site, the trust applied to the Big Lottery Fund's Reaching Communities programme. Working closely with funding specialists (Focus Consultants) the trust was able to secure a grant of £500,000 with which to develop a new community centre. This process was managed by Focus, working closely with an active board of nine trustees. The centre the faced some vocal opposition from certain residents. It was opened in 2018 and provides a large hall and community space, with smaller meeting rooms and catering facilities. The hall now hosts a range of events, classes and social gatherings, and as it reaches its first-year anniversary, is showing signs of increased revenue, though outstanding issues with the development contractors are affecting the organisation's finances and capacity.



What difference community ownership makes

The hall is providing important community benefits, made all the more apparent through comparisons with the former village hall. The condition, structure and physical space provided by the old hall was inferior and so limited the potential use by the local community. Those involved in the trust suggest that the condition of the old hall was such that it would have eventually closed, and in a context where other community buildings such as the local pub have been lost, space for community events and social interaction is at a premium. The new centre provides valuable outdoor space and dedicated parking, opening up the potential to host larger community events.

The range of community events that take place in the new centre is extremely broad; from leisure and sports activities, to art classes and craft fairs, to coffee mornings and amateur dramatics, the hall is used by different age groups and sections of the community. Any impacts from this are likely to be intergenerational in nature, as those involved in developing the new centre had the explicit aim to “replace the old village hall [as the heart of the village], but in a way better for children.” The benefits derived from the activities hosted by the hall relate largely to improvements in user’s health and wellbeing and education and learning. Those involved in the trust suggest that some specific local impacts have been targeted, for instance, “combatting loneliness.”

Reflecting on the potential of the centre to run as a commercial enterprise, those involved in the trust were deeply sceptical about this, predicting major increases in the charges made for using the building;

“It is cost effective to be charity owned ... it takes high amounts of effort [from volunteers] ... so the charges would be much higher if it was private.”

Whilst highlighting the likely difficulties in running the centre for-profit, this reliance on volunteers highlights some of the financial and operational vulnerabilities of the business model.

Financial health

The centre is transitioning from a financial model developed to construct the building to one geared toward managing the asset. Income in 2017/18 was £650,000, made up in large part by grants for development, with similar levels of expenditure. In 2018/19, total income will be in the region of £25,000, with expenditure at £32,000, constituting a loss of approximately £7,000. This reveals

how development costs can have a lasting effect on the finances of organisations, even with the support of large grants. One learning point for the trust related to a large grant that could not be drawn down in time, and was subsequently lost. This represented a major loss of income, with which further investments in the building could have been made.

Despite these challenges, the organisation is generating significant revenue from bookings and fundraising (c.£20,000 in 2018/19). As the trust still owns the old hall, if the value of this site is realised it will create significant capital resources. Hence, the future looks bright for the centre, as it moves beyond the development phase.

Three key factors that have affected the centre’s development and financial health:

1. Skills and persistence of volunteers

The trust’s board comprises a blend of skills and knowledge which have been central to the development of the new centre. With construction experience, accountancy skills, and a range of other knowledge sets, the board has worked with specialist advisors and project managers to bring the centre to fruition. Perhaps just as importantly the trust has benefited from a striking level of dedication from volunteers, who give a large proportion of their life to the trust’s work. The chair of the board and treasurer also act as the centre’s gardeners, caretakers, booking administrators, caterers, among several other roles. Aside from giving their time, board members have had to cope with significant stress in the development and management of the centre. The proposal to build the centre did not meet with universal approval among residents, and the board have faced personal criticism and complaints. To persist in the face of this has demanded high levels of resilience, and focusing on the bigger picture. As one board member noted “why should we let a small minority destroy what the community deserves.” For community benefits to be created, personal sacrifices have been made.

As the board transitions to an ongoing management role, members identify the pressing need for additional volunteer capacity, or “trustworthy helpers”, and to address potential skills shortages related to legal matters.

2. Grant funding

The relatively low land costs were met through a mixture of reserves, small grants and loans from the parish council, but the vast majority of the development cost was in the construction of the building. It is apparent that without the Big Lottery Fund’s substantial grant, these costs could not



have been met. The level of income that can be generated from assets such as the centre means that it can be difficult to secure loan finance.

The application process for the Big Lottery Fund was helpfully structured, covering some of the costs of planning and appraising the scheme. Self-funding the work of Focus Consultants in the early stages of the application, the trust managed to get to stage three of the application process where a grant of £49,000 was made available to help develop detailed plans; this covered the cost of local surveys, planning advice, architecture services and archaeological investigations. This brought new challenges as the trust found itself mediating between professionals controlling different parts of the process, as the board learned about the merits of different approaches to designing and managing a build process.

Whilst the Big Lottery Fund grant was central to meeting the development cost, it was no guarantee of future revenues, and one of the challenges faced has been planning the future incomes without full knowledge of what the level of demand for bookings and services would be. This has required a degree of risk taking, researching local demand and other community spaces, and applying a degree of entrepreneurial skill.

3. Specialist support and advice

The role of Focus Consultants was an important factor in the development of the centre, and in creating the relative financial health now enjoyed. Providing help not only in the fundraising phase, but also in the project management of the building process, has provided continuity in advice and support. Focus’s knowledge of the grant funder and its processes was important, as was its specialist knowledge of financing community buildings.

In addition to this extensive support, the trust has also relied on a local infrastructure organisation called Community Lincs; a charity working across Lincolnshire to help individuals, groups and communities reduce isolation, increase community self-reliance and improve the skills and confidence of local people. Key individuals in Community Lincs have provided advice on issues of governance and signposting to legal support. Allied with this, the district and county councils have provided support in the form of small grants, and planning advice (particularly when the period of planning consent drew to a close).

All this advice and support has helped create a valued local community centre. The future financial health of this may well hinge on the trust’s ability to sell the old village hall, and to use of this capital to reduce its liabilities and reinvest in other activity. With this in mind the parish council’s decision to transfer this asset into the trust’s ownership in the first place was an important decision.

Financial information

The following table provides an overview of Mareham le Fen Community Centre’s income, expenditure and assets for the year ending on 31st March 2018.

Income	£576,582
Expenditure	£10,464
Difference between income and expenditure	£566,118
Surplus/deficit on ordinary activities before taxation	-£566,118
Annual income from grant or subsidy	£0
Fixed assets	£780,703
Current assets (Debtors; cash at bank and in hand)	£25,710
Creditors: amounts falling due within one year	£75,500
Total	£805,913
Net assets	£730,913