

Fairfield House: expression of interest to B&NES Council in next stage of tenancy

Fairfield House Bath CIC
July 2024

Introduction

Fairfield House Bath CIC has been grateful for the opportunity to operate since 2022 as B&NES' tenant in Fairfield House, 2 Kelston Bath and confirms it wishes to continue both the tenancy and the partnership.

We understand that even a short lease activates the Council's community asset transfer (CAT) policy and accordingly please accept this as an updated expression of interest in CAT. It is a qualified expression of interest: note the caveats below and in our business plan about the essential need for £550k capital investment in the building and the limits in scope and timing as to how far Fairfield House Bath CIC can take on the ongoing liabilities that Fairfield House entails.

The CAT questions: why is it required; aims; beneficiaries; support; effective management and governance

Fairfield House Bath CIC is set up to protect and celebrate the legacy of HIM Haile Selassie I. That legacy is as much intangible (historic and cultural) as it is tangible, but the specific gift to the Corporation of Bath was the building Fairfield House itself.

Fairfield House is a unique institution in several respects:

1. As a demonstration of pluralism, tolerance, diversity
2. As a living example of higher-order human virtues
3. As a lens on black history and identity
4. As an example of valuing the elderly (both in the original gift and the present usage)
5. As a place of religious and mystical significance for Rastafari, Ethiopian Orthodox and others
6. As a physical beacon and refuge particularly for Black people
7. As an evolution of Bath's own narrative and identity

Fairfield House the building is the home of that institution, indelibly associated with the unique history of HIM in Bath and with the evolving identity of its communities.

Fairfield House was a gift for aged people and they remain at the centre of the life of the house. Beyond that Fairfield House defines the communities it serves as Ethiopians and all people of African descent, Rastafari, and local people of Bath.

Evidence of support for Fairfield House as a community asset comes from the 13000 annual visits (see Life of the house, below). It is now in the top 40 “places to visit in Bath” on Tripadvisor, and has over 10k followers on Instagram.

Fairfield House Bath CIC (company #11901221) established 2019 has five years’ trading history, a capable Board of directors, sufficiently robust policies and culture to deal with the challenges thrown up by managing the communities involved. It has an ongoing partnership with B&NES Council, with an independent chaired Partnership Board. It has demonstrated that it is independent, energetic, reliable, professional and transparent.

Life of the house: social benefit

The life of the house remains vigorous. Until 2022 the only formal arrangement in place for occupancy was BEMSCA’s tenancy at will; all other activity in the house was informal, on no contractual basis, uninsured and with no clear line of responsibility. This presented risks.

Since 2022 with a lease and partnership agreement in place the other aspects of the life of the house are now well planned, properly insured and managed and developing well.

This is a huge improvement. It means the longstanding risks to people, the property and political and reputational risk to Bath and the Council are better managed and significantly mitigated. It delivers tangible community benefit for visitors and users, employment in the form of one secure first paid job with more to come, and it brings more people and resources into Bath.

As well as 4250 BEMSCA (which provides day care for elders continues) and other local Elders groups visits in a year the life of the house now includes:

- University partnerships, with 500 visitors across the year including hosted events, student placements and internships and delivering £17k of income a year
- Local community business users, incl, Headway, Combe Down Holiday Trust and 1st Impressions, with 3000 visits, using office space and contributing £24k a year
- Historic tours for up to 1000 visitors a year, delivering £10k a year in ticket sales and buying food and merchandise. The tours educate visitors including local people and school children about this vital history (which is widely ignored despite being in the GCSE history curriculum) and bringing additional visitors to Bath who come specifically to see Fairfield House
- Community events
 - Monthly Rastafari worship for 500 people a year across multiple events.
 - Ethiopian community events for 800 people a year, delivering £3k a year
 - other events (concerts, dinners, talks, book launches) with 1000 visitors
- 200 vVolunteers visits incl Board members

That totals over 13,000 visits a year. Fairfield House Bath is now a £71k turnover business. Growth is forecast by 2029 to £239k with an NHLF capacity development grant (or £138k if organic growth only, ie without the investment in staff made possible by grant support).

The building needs urgent capital investment of £550k if it is to be used safely. The social enterprise also needs capital investment; its reserves are limited to working capital only at this point. In the absence of that that Fairfield House Bath CIC can not responsibly commit to taking on the liabilities arising from decades of building neglect.

More detailed business planning

With further support from the National Trust, which we gratefully acknowledge, Fairfield House has taken its business planning further and into more detail. At this point we can share two business plan models:

1. Business plan assuming successful £200k NLHF capacity development bid which shows the CIC able to take on responsibility building running costs from 2029
2. Business plan without NLHF development funds which shows the CIC viable but not able to meet the building running costs without some further income stream

Crucially, both models assume the CIC is operating in a legally compliant building, with EPC of C or better. The challenge for the partnership of landlord and tenant is that the funds have not been identified or secured to make the building compliant and conformant to essential standards, notably for energy use. This essential investment, identified as in the order of £550,000, dwarfs the social-enterprise's P&L sums in the business plan.

The current projection (with NLHF capacity development support) shows it would be affordable for the CIC to run a compliant building meeting the running costs from 2029. We're keen to work in partnership to move that date earlier, but it still depends on finding a way to make the building compliant.

Summary: business plan (with NLHF capacity grant)

NHLF Grant Scenario							
	Actual	Actual	Forecast	Projection	Projection	Projection	Projection
	2023	2024	2025	2026	2027	2028	2029
Total Turnover	70,416	71,182	85,830	112,579	151,591	208,779	241,571
Growth YoY		1%	21%	31%	35%	38%	16%
Net Profit/loss	24,158	7,850	5,646	12,614	25,414	30,428	51,733
Net margin	34.3%	11.0%	6.6%	11.2%	16.8%	14.6%	21.4%
Organic Growth Scenario							
	Actual	Actual	Forecast	Projection	Projection	Projection	Projection
	2023	2024	2025	2026	2027	2028	2029
Total Turnover	70,416	71,182	82,830	95,641	107,251	117,805	136,238
Growth YoY		1%	16%	15%	12%	10%	16%
Net Profit/loss	24,158	7,850	2,509	1,038	1,237	5,876	12,714
Net margin	34.3%	11.0%	3.0%	1.1%	1.2%	5.0%	9.3%
Targets - Costs FHBCIC would like to cover:							
Contribution to sinking fund			3,000	4,000	5,000	5,000	5,000
Contingency 10% expenses (NHLF scenario)			7,846	13,959	14,889	15,463	16,024
Utilities & Asset Owner costs			35,975	37,030	37,286	51,599	51,946

For detail see full business plan.

Grant bid efforts in 2024

During 2024 alongside organic business growth the main bidding effort, supported by the National Trust, has gone into

- The Levelling up department's community ownership fund (COF). Fairfield House sought £850k for capital repairs. Given its political nature the COF process has been stalled by the election. It is not yet clear whether the COF will resume and to what extent the effort put in to application is wasted
- NLHF £200k capacity development grant which we intend to submit shortly
- Various minor bids for specific projects

The CIC maintains a "bid grid" of potential sources of funds - see below. It is amplifying its focus and efforts on fundraising, significantly increasing the time resources it puts into pursuing capital funding, adding resources from Bath Spa University and other partners to the significant expert resource already committed by the National Trust. It continues to welcome suggestions and support from B&NES and its other partners as to what funds might be available and how we apply for them.

Appendix: the liabilities, why the CIC can't take them on and what we do about it

The obvious liabilities that a long lease or community asset transfer would entail are:

1. The immediate capital cost of essential electrical and energy works identified at £550k
2. The full running costs of the building in its present state, notably energy bills

Mindful of B&NES Council's financial position we fully understand why the Council urgently needs to shed liabilities for capital repairs to the building, and also its future liabilities for running costs. However, these costs can't simply be assigned to an unfunded social-enterprise startup, however promising and viable. Hence the unavoidable need - signalled in the Partnership Agreement - for external funding in addition to the organic business growth promised by the CIC.

Capital grant funding

We summarise the capital requirements as follows.

External funding needed and progress to date (green: achieved; orange: yet to achieve)

Value	Description	Source
<£10k	first grants; three now achieved and successfully managed. Established	Cobalt, BWCE, NLHF

	reputation for responsible management.	
£200k	Is needed to establish a proper project team, to professionalise and create a £240k/yr business. NLHF calls this "Resilience"	NLHF
£300,000	Roof and window repairs. This was needed to avoid immediate building crisis (roof leaks). B&NES committed this and oversaw the spend.	B&NES
£550k	Urgently needed electrical and energy works. Without this the CIC can not take it on.	COF or other
£3m	<i>Estimate of funds needed to develop former chapel site to greatest potential for community benefit. This would be after full community consultation and options appraisal</i>	NLHF, corporate or philanthropic
£5m	<i>Estimate needed to refurbish main house to world heritage standard.</i>	NLHF, corporate or philanthropic

This table shows the external investment Fairfield House identified as needed.

We acknowledge with gratitude the expenditure to date by B&NES on roof and window repairs (we attribute the two incidents of flooding after that work to an original roof drainage design flaw, and have put in place a maintenance arrangement to mitigate that).

This still leaves capital funding needs which the partnership has committed to working together to address. Most urgent is the £550k for essential electrical and energy works.

Appendix: Fairfield House “bid grid” of potential sources of capital funding (abridged)

Name	Type	The ask
DLUHC COF - prelim	Gov	Help for COF bid
DLUHC COF	Gov	Fix building to compliance
B&NES CIL	Local gov	Matched funding or small projects
NLHF resilience/ capacity	NDPB	Build CIC capacity
NLHF heritage 1: restore Fairfield House	NDPB	Restore Fairfield House
NLHF heritage 2: develop the bungalow site	NDPB	Develop chapel site
WMF	Global foundation	Profile and network
AHRC	NDPB	FITC 24 project
Arts Council MEND	NDPB	Accredited museum buildings
UMG-TFMC	CSR	Cultural reparation
HNWI - Chris Blackwell	UHNWI	Personal legacy
HNWI - Roper Foundation	HNWI/ Foundation	Matched funding
International Collaboration Fund - British Council		
Bath Spa	Uni partner	Admin costs; joint bids
Oxford Uni	Uni partner	Donors, events
UWE		Grant bids
Historic England: Repair Grants	NDPB	Repair
Architectural Heritage Fund	NDPB	Repair
National Lottery Community Fund: Partnerships	NDPB	Capacity with partners
National Lottery Community Fund: Awards for All	NDPB	Activities
Pilgrims Trust	Foundation	Capital work, project costs

Quartet	Community Foundation	Various
Enovert Community Trust	Foundation	Repair of building/community centre
Screwfix Foundation	Foundation	One-off small repair to the building or wider site
Postcode Local Trust	Foundation	Unrestricted funding

For more detailed view see [Fairfield House major grant bid grid](#).

Appendix: “Ladder of cash” showing what we would ask a willing donor for (at all levels of ambition)

The other way to look at how we approach raising funds is “if we encountered a willing donor what would we ask them for?” This makes sense for Fairfield House, which arouses deep feelings in a wide range of people, some impecunious and some (in the music industry or Ethiopian diaspora) very wealthy. The working assumption is these non-conventional sources of funds are out there if we are able reach out to them.

We want anyone who is willing to support Fairfield House at any level to feel welcome and worthwhile to do so. The table below illustrates what we might ask willing donors to give at every level of ambition, and how we would show them their contribution was worth while.

Ladder of cash		<i>What we should be ready to ask a willing donor</i>
Purpose	Amount	What it achieves
Gift voucher	£10	pays for a meal or guided tour for you or for someone else
Support for a year	£60	£5/month eg as paid newsletter subscription
Group welcome package	£500	Tour and lunch for 20 people
Sponsor an event	£1,000	Your brand on a concert or panel session for 60-80 people
Help with energy bills for three years	£30,000	Covers 20% of the bill. Gives B&NES confidence we can take lease
Cover energy bills in full for three years	£150,000	Removes our main short-term headache; guarantees we can take the lease
Make house compliant	£550,000	Electricity conservation, electrical and insulation improvements to meet requirements of safe and sustainable use
Buy Fairfield House	£2,000,000	Issue B&NES a long lease; lease back
Sacred chapel site redevelopment	£3,000,000	"All possibilities" options appraisal; create a purpose-built new facility
Restore main house	£5,000,000	Full conservation and restoration to international heritage standard
Endowment in perpetuity	£10-£20m	Assuming 4% return; covers operating deficits and "rainy day fund"

Ends - July 2024