



# Fairfield House Bath CIC

## 2024-2029 Business Plan - NLHF-funded and organic growth versions

### Executive Summary

#### Background & Context:

Fairfield House Bath CIC (FHBCIC) has operated Fairfield House in partnership with B&NES Council since 2022. For many years, it was an all-volunteer operation, with the CIC only being able to pay an Operations Manager part time from FY24 and close to full time from this financial year. With this skeleton staff, supported by an involved volunteer Board and a cadre of committed volunteers that collectively donated over 7000 hours last year, the CIC operates a year-round calendar of events. Including the Bemsca day-care team and members Fairfield House had an estimated 13,000 visits in the last year.

The building itself is non-compliant in important respects including electrical safety and energy use. Like many comparable historic buildings it is costly to run. The CIC has been successful in the recent past growing income, through one-off grants and securing innovative support through university cultural partnerships. Through these efforts the CIC has been able to bring on its skeleton staff and embark on a more organised strategy for growth. Yet it remains critically understaffed and lacking resources to properly invest in growth. The lack of any regular building maintenance capacity puts the building and occupants at risk and is the highest priority for the CIC to fund when possible.

#### Business Planning & Path Forward:

With support from the National Trust, the FHBCIC Board has undertaken a business planning exercise to 2029. Key takeaways from the analysis:

- It is not feasible for FHBCIC to assume the full operational costs of Fairfield House immediately
- With external funding for working capital of at least ca.£120k<sup>1</sup>, FHBCIC could start to assume a share of the full operational costs from FY27/FY28, and it would be on track to assume the full operational costs from FY30 onward
- Without investment, growing only organically, it would take 5 years for the FHBCIC to begin to contribute meaningfully to operational costs, and it would take FHBCIC

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<sup>1</sup> £120k = £70k deficit in financial plan FY25-FY27, plus additional £50k contingency should growth in income streams develop slower than projections

much longer than 5 years to reach the scale necessary to assume the full operational costs

- All projections assume that other investment sources are available to bring Fairfield House up to minimum compliance standards for electrical safety and energy use.

The business plan presented details the approach under two scenarios

1. growth with “capacity development” investment from a National Heritage Lottery Fund (NLHF) grant and
2. Organic growth, without investment.

### **Key takeaways:**

NHLF Case:

- The NHLF grant funds an increase in staff, critically a Programme Manager for the first two years, allowing the CIC to grow revenue to fund the transition of the position to a Director position on an ongoing basis. The grant also gives the CIC capacity to invest in marketing early, allowing tour income to be increased faster;
- The addition of the Programme Manager / Director to the team gives the CIC bandwidth to be more aggressive in increasing event income, and to develop new income streams including self-guided tours and - most impactful for the CIC - a membership programme;
- The full NHLF grant of £250k will provide the CIC with a budget for consultancy and additional support to deliver potential upsides to this plan, namely a. a revamped retail strategy including potentially additional online sales; b. revamped grant, donation and legacy strategy, including feasibility and strategy for an endowment.

Organic Growth Case:

- Increases in turnover are limited to what can be achieved with minimal staffing – the current Operations Manager. Staffing costs increase to take on a critically needed Buildings & maintenance person 2 days per week;
- Increases in turnover are achieved through strengthening university cultural partnerships, tightening the management of space hires and increasing event income;
- By FY29, surpluses allow for investment in marketing to start to drive up tours income;
- Potential upsides to this plan, which largely fall to the Board to execute (also volunteer): a. revamping outreach to increase donations; b. securing grant funding to develop income streams outside the capacity of the core team, e.g. legacies, special tours & educational programmes, membership programmes, self-guided tours, etc. But without proper resourcing the Board can not commit the CIC to hard targets for these potential additional income streams.

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## Company & Business Description

### *Company Purpose*

Fairfield House Bath CIC is set up to preserve and celebrate Emperor Haile Selassie's unique legacy: a personal gift to the city in appreciation of the warm welcome and hospitality he had received from the people of Bath. The organisation works to preserve and develop the life of the house and garden on a sustainable basis. This includes taking responsibility for the long term viability and maintenance of the House and grounds, and managing diverse set of activities to both ensure the economic sustainability of the house and delivery of its cultural and heritage mission for stakeholder communities.

### *Vision:*

Fairfield House will be a welcoming, multicultural and multi-faith celebration of His Imperial Majesty's legacy which embraces a home for the aged, a gift to our city of Bath and a noble vision for the world.

### *Mission:*

The mission as a not-for-profit Community Interest Company is to deliver that vision by

- securing maintaining and developing Fairfield House with a long lease
- securing sufficient income from Fairfield House activities to cover expenses and invest in the future
- representing diverse community interests
- enabling our communities to shape the direction and provide the energy to deliver that vision.

### *Audience / Communities Analysis*

FHBCIC serves four key communities:

1. Elders (served by Bemsca). This includes Bemsca members who attend regularly for activities and meals, local groups such as Weston Townswomens' Guild and ethnic groups such as a Mah-Jong club
2. People of Bath who can attend open days, historic tours, and events such as teh Newbridge Arts Trail.
3. Rastafari whether from Bath, Bristol, Birmingham Africa or the Caribbean: for Rastafari Fairfield House is the most sacred place in all Europe and to visit it is an act of pilgrimage
4. Ethiopians and all people of African heritage for whom Fairfield House symbolises Imperial leadership, anti colonialism, anti-Fascism, pan Africanism and is an important place for the Ethiopian Orthodox faith.

Defining these communities in terms of numbers and location is a significant challenge. Work is under way to address this with a "Footprint" project building a variety of data inputs to a CRM database.

In terms of visits per year the best current estimate is

- BEMSCA staff and members 3000

- Weston Townswomen and MahJong 1250
- University partners and community (staff, students, guests) 500
- community business users who hire offices 3000
- Historic tour guests 1000
- Rastafari and Ethiopian event guests 1300
- other events (concerts, dinners, talks, book launches) 1000
- Volunteers visits incl Board members 2000

Total visits for community members, paying customers and volunteers over a year: 13,050

Again the Footprint project, with keycard and tablet-based sign-in will make it easier to provide definitive numbers.

### ***FHBCIC Activities & Services***

Fairfield House is a 23-room Italianate villa of reasonable grandeur, with part of its original garden still left, and a caretaker's bugalow offering some additional accommodation. It works well for office use, community gatherings in the reception rooms, guided tours and outside activities. It has a serviceable commercial kitchen which is well used for feeding Elders and catering for events, offering lunches for historic tour guests and small receptions. There is a natural limit to the footfall it can accommodate.

To generate income, FHBCIC must rely on a mix of complementary activities to appeal to the general public while also fulfilling its mission to its key communities. There are trade-offs to be in favour of mission – for example, due to the activities of BemscA in the House and the vulnerable people it serves, there are limits on how often the House can be made open to the public. Operating as a full-time heritage attraction is not feasible. The mix the FHBCIC team has developed revolves around maintaining balance for its core communities whilst making as smart use of its space as possible.

Income generating activities include:

- University cultural partnerships, where FHBCIC receives payment in return for supporting research and student projects based in the House and with the House's communities
- Guided tours income
- Retail sales of merchandise sold in a pop-up shop on tours days and on event days
- Space hires, including licensing offices on a monthly basis and ad hoc room hire in the house. This will include rent from BEMSCA
- Events income, including evening event income from fees and catering income from ad hoc evening concerts, talks and similar ticketed events in addition to Community events, often fully open to the public and held at low cost or for free, but for which the House receives additional donations

These activities in more detail:

### ***University Partnerships:***

FHBCIC has had a relationship with Bath Spa University (for the last four years. The CIC has a funded central partnership agreement and works with various departments to host

research projects for Masters' students. Current projects include research into and development of options for enhancing the heritage offer within Fairfield House, including how to display the recently acquired Emperor's uniform and other possible new exhibitions.

This partnership is now extended to the new South West & Wales Academic Research network (SWWARN) involving six more Universities. Fairfield House acts as the hub for this new network on a paid basis.

#### ***Retail income:***

FHBCIC maintains a small pop-up shop (set up as needed in the Dining Room of the House) selling a broad range of merchandise related to Fairfield House, its history, HIM Haile Selassie and Rastafarian and Ethiopian history and culture. This includes books, t-shirts, mugs, gift items and craft items. Stock purchased is supplemented by donations from artisans in the community. The shop is run by volunteers with the support of the FHBCIC Operational Manager, and is open during days of guided tours and on an ad hoc basis for events and bespoke visits by groups.

#### ***Licensing of office space:***

The House is used throughout the week by a variety of organisations with deep ties to the community. BEMSCA has historically paid for its use of the house via a deduction at source by B&NES. With a switch to FHBCIC taking on full operation of the house, including its substantial utility bill, the intention is that BEMSCA will pay rent to the CIC once its work is properly funded. A series of other rooms are rented out by community groups.

Remaining rooms, including those used by BEMSCA but which are unoccupied on days in which they don't have activities, are available for day hire from within the community.

#### ***Tours income:***

Fairfield House is open to the public most Sundays during the year, for two guided tours followed by a Caribbean lunch offering. Tours are delivered by volunteers. The CIC team also arranges and delivers one-off tours, typically on Thursdays, by request for groups – community groups, schools groups, etc. Tours may be combined with catering delivered by BEMSCA, room hire for workshops, and/or additional educational content delivered by FH team and volunteers. The team has plans to expand the tours and educational programmes.

#### ***Evening event income:***

Fairfield House can be used as a venue for small scale concerts, talks and gatherings in the evening. A new income area for the team, evening events were successfully trialled in FY24.

#### ***Community event income:***

FHBCIC organises two main events for its communities each year. The *Race to Adwa* is a community fundraiser commemorating the famous anti-colonial battle of Adwa. It drives several thousand pounds of donations for the House, along with food and drink income.

FHBCIC has been successful in applying and delivering a several smaller grant projects including from BWCE Foundation via Quartet, Cobalt Trust, NLHF, Joyce Fletcher Foundation, AHRC. It also receives donations from visitors.

## **Business & Financial Plan**

## Overview - Two scenarios

Business planning at FHBCIC has focused on how the organisation could grow to have the financial capacity to cover the full cost of maintenance and operation of Fairfield House. The task is substantial. Assuming the CIC can operate with a 20% operating profit margin, the required turnover is ca. £325k (this assumes utilities, routine maintenance and business rates at £50k, a very modest contribution of £5k per year to a sinking fund for future repairs, and an allowance of £10k surplus each year to allow the CIC to build reserves to cover any financial shocks). To reach this level of turnover, the CIC needs to grow the top line by 365% and improve its operating profit by 47% as compared to its performance in FY24.

While the task is large, the CIC has recently reached a milestone in being able to afford dedicated paid staff, which allows it greater bandwidth for growth. However, to achieve the growth needed to take on the full building costs, the CIC needs investment. To support the development of the organisation, the CIC is in the process of submitting a proposal to the National Heritage Lottery Fund (NHLF) to build capacity alongside addressing some critical compliance work in the building.

The following discussion of the business and financial plan for the CIC addresses two scenarios:

- 1) NHLF grant received - providing needed investment for growth
- 2) “Organic growth” - what growth is feasible without external investment, relying only on self-generated surpluses to fund new activities

## Growth Strategy

The growth strategy in the two scenarios is broadly the same, but with more new activities and faster growth possible in the NHLF scenario. The CIC will grow income across all its main income streams: university cultural partnerships, retail, tours, space hires, events income and grants and donations. To achieve this growth, the CIC needs to expand its team and invest in marketing to raise the profile of Fairfield House and drive traffic to its public activities. In Scenario 1 - NHLF grant, funding from NHLF for additional staff will provide capacity needed to develop new initiatives and grow certain activities faster, and allow the CIC to invest in marketing. Key areas of growth NHLF funding will open up include:

- **Tours:** FH’s guided tours receive excellent reviews and there is room to grow take-up. Tours are barely promoted today due to lack of funds. Investment in marketing under the NHLF scenario will allow the CIC to double the number of tours offered - from two per day on a Sunday to four per day - and make modest increases in the number of tickets sold per tour. In addition, the addition of a programme manager / director will allow the CIC to expand its “special tours” offer and marketing to schools and groups, and develop a self-guided tour to capture additional visitor traffic
- **Events:** The additional team member will allow the CIC to target more event hosts to bring in food, drink, retail and ticket share income from evening events
- **Donations:** The additional team member will allow the CIC to capture ongoing support from its large community by designing, launching and running a membership scheme

In the NHLF Financial Plan, the CIC is projecting to grow revenue from £72k in FY24 to £242k in FY29, a compound annual growth rate of 28%. In the Organic Growth scenario, the CIC is projecting to grow revenue from £72k in FY24 to £139k in FY29, a compound annual growth rate of 14%.

## Opportunities for Upside / Plan Risk Mitigation

There are a number of additional opportunities to increase revenue that have not been factored into the projections. These are good opportunities and could represent substantial upside to the plans presented here. However, given the ambition of the plan overall, the CIC is not comfortable committing to specific targets for these areas, and they remain as avenues to boost performance should performance in any core area not meet expectations.

Should the NHLF grant application be successful, the CIC will have additional resources to investigate these areas and the CIC would revise this business and financial plan to incorporate findings and new projections as a result of that analysis and planning.

The areas of upside include:

- **Retail:** The CIC has had good success with retail to date. Both the NHLF and Organic Growth scenarios assume modest growth in retail sales per tour, and overall increases in line with the increases in the number of tours in each scenario. It might be possible to improve income per tour - an analysis of pricing strategy and product mix strategy is required. In addition, the CIC could pursue online sales, and the team hypothesises that an offer over the Christmas period would be especially popular. To execute this, the CIC required dedicated staff to manage online sales and handle fulfilment, as well as investments in website, inventory management and marketing. Under the NHLF grant the business case for these investments could be assessed, and if promising the CIC could consider investing surpluses from FY27 onward to achieve higher growth.
- **Donations:** As noted, the CIC receives modest donation income from its community and the general public. There is scope to optimise ad hoc donations by rethinking placement, signage and messaging around donation points and using contactless donations points. Changes will require modest investments to implement.
- **Legacies:** Many heritage organisations have success securing legacy donations from the wills of supporters. To implement a scheme, the CIC needs to consider its messaging, the operational requirements, and investigate whether a charitable arm might be needed to receive the donations.
- **Grants:** As most grants do not cover day to day operational costs, and funds must be used for defined project purposes, grant income has been excluded from these projections. The CIC maintains a “bid grid” of possible sources of funding. It is possible for the CIC to apply for funding for projects with the potential to increase income, for example strengthening its programming for schools, developing a children’s tour, etc.
- **Endowment:** Given the scale and breadth of Fairfield House’s cultural and community reach, there is potential for the CIC to develop an endowment to ensure

financial resilience and sustainability in perpetuity. This would lower the overall annual earned income the CIC would need to generate to meet the minimum threshold to take on full maintenance and operational costs. To pursue an endowment the CIC needs to analyse its potential donor base, craft a compelling investment narrative and story for potential donors, and develop and execute a fundraising campaign.

## Summary - Financial Plan, Two Scenarios

The following is an overview of the two financial plan scenarios - please see appendices 1 & 2 for expanded summaries, and the accompanying excel files for full detail.

### Business plan version 1: NLHF-funded growth

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

Note that revenue in FY23 is as reported and included grant income.

The NHLF scenario puts FHBCIC on track to be able to take on the full operational cost of Fairfield House in 6+years - beyond the projection period but making substantial progress towards the goal. As noted above, with the additional capacity building from the NHLF grant, this business plan would be revisited with an aim to refine the plan and define the target date for taking on those costs.

## Business & Financial Plan Details

### Income Assumptions

#### Scenario 1 - NHLF Grant

	Actual	Actual	Forecast	Projection	Projection	Projection	Projection
	2023	2024	2025	2026	2027	2028	2029
<b>Turnover</b>							
University cultural partnerships	14,435	17,771	21,325	25,590	28,149	30,964	32,512
Retail	9,755	9,990	10,911	11,456	12,029	12,630	13,262
Tours	10,563	10,464	12,901	17,826	26,928	39,438	48,948
Space hires	13,538	23,511	32,816	38,342	40,259	42,282	44,419
Events income	427	2,565	5,500	10,750	20,350	31,550	33,950
Grants and Donations	21,698	6,881	2,377	8,615	23,876	51,914	68,480
<b>Total Turnover</b>	<b>70,416</b>	<b>71,182</b>	<b>85,830</b>	<b>112,579</b>	<b>151,591</b>	<b>208,779</b>	<b>241,571</b>

**University cultural partnerships:** FHBCIC has a good relationship with Bath Spa University which it expects to continue going forward. The arrangement allows Bath Spa to provide substantive research projects to its students and faculty. In addition, the team is building relationships with a wider network of Universities via the new South West and Wales Academic Research Network (SWWARN) of which Fairfield House is the only non-academic member. SWWARN has engaged to hold events within the House on a paid basis, and the team is working to convert these initial interactions into more substantive research relationships. The financial projections assume that the team grows income from University partnerships by 20% per year.

**Retail income:** Retail sales track with overall foot traffic and visitors to the House. Retail revenue growth assumes sales per tour increase by 5% per year. Growth is also achieved due to the number of tours offered being increased (discussed below). As noted above, there is potential scope for overperformance in Retail, but investment would be required and the business case would be explored during the NHLF grant period.

**Tours income:** Currently, FHBCIC opens to the public on Sundays 48 weeks per year, two tours per day for a total of 96 tours per year. Tour income includes a mix of tour fees and lunch fees. Tours are led by volunteers and costs to serve lunch are kept low due to volunteer kitchen support. The projections assume that the number of tours will increase starting in FY26 from two tours to four tours 48 weeks of the year from FY28. Tour occupancy is assumed to increase from 8 tickets sold per tour today to 11 sold per tour in FY29. These increases will be supported by an increase to the marketing budget. This includes a combination of paid advertisements and listing in online area guides (e.g. Visit Bath), limited printed tourists guides and leaflets in key locations and investment in signage for the site.

**Special tours:** In addition to the scheduled Sunday tours, the team arranges for special bespoke tours and have several already booked for FY25. These can include community groups wanting to visit the house, which will take the tour and have lunch, and schools groups that will take the tour, bring packed lunches, and have additional educational sessions delivered by FHBCIC staff. The team will market the tour as an educational offering directly to schools. With three already booked for FY25, the financial plan forecasts six in total for this fiscal year, gradually increasing to 2 per month by FY29 as marketing tactics are refined.

**Self-guided tours:** The team have been considering a self-guided tour, in part to cater better to neurodivergent visitors. Team bandwidth in addition to volunteer time is required to put the tour together. Self-guided tours are planned for launch by the end of FY26, and beginning in FY27, opening the house to the public for self-guided tours 1 day per week. Visitor figures

are conservative to allow the team to refine the offering and the marketing needed to make this a success.

Tour income figures also include income from food and drink sales. FHBCIC sells food at large events such as Race to Adwa as well as making on the day sales of its lunches post guided tours. Projections include a baseline income from events along with on the day sales that grow in line with guided tour income.

**Space hires** projections consist of rental income from BEMSCA, long term office rental from other tenants, and day hires.

BEMSCA maintains a main office and a second small office on the first floor of the house. It uses the main reception areas to carry out its activities Mon, Wed and Fri with exclusive use of many spaces on the ground floor and the bungalow. FHBCIC is in discussions with Bemsca to increase its rent to closer to market rate. The financial projections assume a conservative amount of £4500 for the remainder of this FY, rising to £7,500 in FY26 and then rising by 3% per year.

*Office rentals:* Outside of the rooms that Bemsca hires, FH has five other tenants that license office space on a long term basis from the CIC. In FY24, the CIC was successful in raising rental rates by 73% to bring prices more in line with the market. In FY25 remaining tenants on the old pricing can be moved to the new pricing, bringing another increase of ca. £2.5k. From FY26 rates will grow more modestly, forecast as a rate increase of 5% per year.

*Day hires:* Outside of the long term space rentals and Bemsca house usage, there remains a collection of rooms that are available for use on an occasional basis. In the past, these rooms were made available to tenants of the House and connected community groups without charge, but the CIC has been gradually introducing room hire rates and has a pipeline of room hires for FY25. The planned approach is to grow day hires from £1.5k in FY24 to £3k in FY26, and then increase modestly at 10% per year. Growth in day hires is necessarily constrained by available space.

**Events income** consists of evening events income and community events income.

*Evening events:* Using primarily a volunteer team to staff events, these are good opportunities for the House to capture additional income from tickets (or cut of ticket sales), food and drink sales, and additional retail sales from opening the shop during events. Projections assume the CIC can grow net income per event after costs from £1500 to £2600 in FY29, and grow the number of events per year from two this financial year to 12 (one per month) in FY29.

*Community events:* FHBCIC does not plan any additional large scale community events. Projected income is only a nominal increase over historical levels of ca.£2.5k per year.

**Grant and donations income** consists of grants - historical in FY23 & FY24, but otherwise not included in these projections along with donations and a new membership programme to be launched.

*Donations:* Projections include a modest year on year increase in donations of 10%. Historically, a large proportion of donations have been collected during major community events such as the Race to Adwa. There are cash donation points in the House, but these

could be better signed and upgraded to cashless donation points. Improving on these projections have been kept as an upside to the plan, but with big potential.

*Membership:* FHBCIC proposes to research and launch a membership plan beginning in Dec 2025, with the help of the newly recruited Programme Manager / Director. The aim of the membership scheme is to create a way for those wanting a deeper and longer-lasting connection to the House to support its activities through a modest yearly fee in return for exclusive content and other benefits. The House has a large archive of historical material, which can serve as a foundation for what's provided to members. The scheme may also include discounts to the shop and on tours.

## Business plan version 2: organic growth

		Actual	Actual	Forecast	Projection	Projection	Projection	Projection
		2023	2024	2025	2026	2027	2028	2029
<b>Turnover</b>								
	University cultural partnership	14,435	17,771	21,325	25,590	28,149	30,964	32,512
	Retail	9,755	9,990	10,911	11,456	12,029	12,630	13,262
	Tours	10,563	10,464	12,151	13,251	17,069	19,019	29,550
	Space hires	13,538	23,511	32,816	38,342	40,259	42,282	44,419
	Events income	427	2,565	5,500	6,750	9,350	12,350	15,750
	Grants and Donations	21,698	6,881	2,377	2,615	2,876	3,164	3,480
<b>Total Turnover</b>		<b>70,416</b>	<b>71,182</b>	<b>85,080</b>	<b>98,004</b>	<b>109,732</b>	<b>120,409</b>	<b>138,973</b>

Scenario 2 - Organic Growth differs from the NHLF scenario in the following ways:

- The number of scheduled tours increases from 96 per year to 120 per year in FY29, being the first year in which the CIC has the funds available to invest in marketing to support the increase in tours being offered
- There is no income from self guided tours due to the unavailability of staff to create and market the tours
- Fewer evening events are planned due to lack of capacity to manage them - growing to 5 per year in FY29
- There is no membership scheme launched

## Cost Assumptions

**Cost of Goods Sold** includes the following components for both Scenario 1 - NHLF grant received, and Scenario 2 - Organic Growth. COGS contain the following components:

- *Retail product costs and expenses* are estimated at 50% of revenue, based on average historical performance
- *Volunteer expenses* which includes costs for various events and parties to celebrate volunteer contributions. Expenses have been aligned to revenue growth based on historical spending.
- *Community relations and event expenses* which includes costs for marquees, barriers and other equipment for major community events in the year along with travel expenses for key members of the community to attend. In FY24 these were elevated by a one-off Windrush event. Forward projections are in line with FY24 expenditure on other community and event costs.
- *Food and meal costs* have been projected in line with FY24 costs.
- *University partnership costs*: In past years FHBCIC has hired a project manager to handle these relationships, but have since moved these responsibilities in house. Due to the success of this change, no additional project management costs are project going forward.
- *Room rental costs* include ad hoc expenses for changing locks and other requirements after a tenant vacates. These have been elevated slightly, with the understanding that as part of COF refreshing and redecorating of spaces will have taken place.
- In FY23 & FY24, various other costs related to grant projects

**Expenses:** FHBCIC's expenses consist of Employee costs, Premises Costs, General & Administrative expenses and Professional fees. The components of each category are the same in each scenario, but there are some key differences highlighted where relevant below.

*Employee costs* from FY25 onward include salary plus employer NICs and 3% pension contribution and a 3% annual pay rise. Salaries have been set against benchmarks for the local area. Category costs vary substantially between the two scenarios. Both scenarios include a full time Operations Manager, an existing role, and two new part-time roles: Buildings and grounds maintenance person, two days a week from FY26, and a part time bookkeeper 1 day per week from FY26. In Scenario 1, funding from NHLF allows the CIC to bring on the Building and grounds maintenance person and bookkeeper slightly earlier. More significantly, it allows the recruitment of a full-time Programme Manager in Q4 FY25, who then transitions to a Director role at the end of the grant period. This role is critically needed to develop and launch new income streams and handle larger volumes of activity.

*Premises Costs* consist of costs related to the occupation and upkeep of the property. It includes rent payments to BNES (assumed to continue at the current level of £1200 per month) plus allowances for library, museum and art gallery costs, prayer room expenses, utilities for the bungalow, cleaning fees, contribution to property insurance costs and grounds maintenance outsourced fees. These costs are the same across both scenarios.

*General & administrative costs* include a range of operational costs needed to support the CIC's activities, including advertising and marketing of Fairfield House and its activities, bank and Zettle charges on its transactions, contents insurance, budgets for equipment, budgets for repair and maintenance supplies, and subscriptions, software and website expenses. This category also includes an allocation for the recruitment of new roles discussed above, and an estimate of depreciation, a non-cash cost. *Advertising and marketing costs* are the largest share of this category, and along with bank and zettle charges, which are based off of income, the only two line items that vary between Scenario 1 and Scenario 2. Due to limited budgets, FHBCIC has historically spent very little on marketing, only printing flyers and leaflets. In Scenario 2 - Organic Growth, this trend is continued. However, in Scenario 1 - NHLF grant, additional budget is needed to build demand for guided tours and raise the public profile of Fairfield House. The Scenario 1 plan allocates an increased budget of £7.2k in FY26 rising to £10k in following years. This substantial increase covers planned activities such as better signage billboards in Bath centre, ads in tourist guides and social media marketing. This spend supports tour revenue, retail revenue, events income and more indirectly the CIC's reach for memberships and donations - collectively 69% of the CIC's income.

*General & administrative costs* also include Legal and Professional costs, which are also the same across both scenarios and covers accountancy support and legal advice. Increases over trends in FY25 and FY26 are due to higher legal fees related to lease negotiations.

## Organisation & Governance

### Operational Team:

The team consists currently of a single full-time Operations Manager, Ras Benji, overseeing all activities in the House including ensuring house opening and closing is managed for tenants and guests, managing tenants and space hires, managing relationships with university partners, event organisation, special tours and hires organisation and special tour delivery. The volume of activity is significant and limited growth in activity is feasible without team expansion.

Both scenarios plan for the following new roles:

- Building & Grounds Manager, 2 days per week, to oversee periodic maintenance and perform routine maintenance tasks. Conducting ongoing and routine maintenance of the house is not covered adequately within the current team, and the addition of this role is critical to ensure FHBCIC can manage increased responsibilities in the long lease and also ensure small issues are addressed quickly for the safety and comfort of users and visitors to the House
- Bookkeeper & Office Manager, 1 day per week, to ensure capacity to report on income generation on a monthly basis to aid in decision making. Currently all bookkeeping is handled by a Board member on a volunteer basis, and the increase in oversight needed to achieve growth requires the role to be paid

In addition, Scenario 1 - NHLF grant allows for an additional resource, a Director role that begins during the grant period as a full time programme manager, overseeing key compliance work, delivering work on new income streams such as self guided tours and membership and managing capacity building activities including business cases for retail, legacies and an endowment. During the grant period the programme manager will have responsibility for growing income at the CIC to allow the role to be transitioned to a full time Director role at the end of the grant period.

In addition to the paid staff member(s), FHBCIC operations draw upon a team of dedicated volunteers to be able to cope with the volume of activity in the house. The services given by volunteers makes the scope of activities the House hosts viable. Volunteers gave over 7000 hours of time in the last year. Volunteers handling activities ranging from retail shop set-up/take down, sales and stock management, delivery of guided tours, House opening and closing, kitchen staffing, and general event staffing. The Operations Manager coordinates the volunteers.

### Board of Directors

The Board of Directors as at July 2024 comprises:



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

## Appendix 1 - Scenario 1 - Business Plan with NHLF grant

<b>Exec summary - with NLHF</b>									
		Actual	Actual	Forecast	Projection	Projection	Projection	Projection	
		2023	2024	2025	2026	2027	2028	2029	Notes
<b>Turnover</b>									
	University cultural partnerships	14,435	17,771	21,325	25,590	28,149	30,964	32,512	
	Retail	9,755	9,990	10,911	11,456	12,029	12,630	13,262	
	Tours	10,563	10,464	12,901	17,826	26,928	39,438	48,948	
	Space hires	13,538	23,511	32,816	38,342	40,259	42,282	44,419	
	Events income	427	2,565	5,500	10,750	20,350	31,550	33,950	
	Grants and Donations	21,698	6,881	2,377	8,615	23,876	51,914	68,480	1
	<b>Total Turnover</b>	<b>70,416</b>	<b>71,182</b>	<b>85,830</b>	<b>112,579</b>	<b>151,591</b>	<b>208,779</b>	<b>241,571</b>	
	<b>Cost of sales</b>	<b>29,309</b>	<b>22,606</b>	<b>14,330</b>	<b>14,868</b>	<b>15,702</b>	<b>16,557</b>	<b>17,435</b>	2
	<b>Gross Profit</b>	<b>41,107</b>	<b>48,576</b>	<b>71,500</b>	<b>97,711</b>	<b>135,890</b>	<b>192,222</b>	<b>224,136</b>	
<b>Expenses</b>									
	Employee Costs	1,109	22,292	53,368	107,192	110,944	114,292	117,742	
	Premises Costs	7,388	4,762	11,700	12,004	18,223	19,198	20,181	
	General & Admin Costs & Prof fees	4,006	11,830	13,411	20,417	19,747	21,166	22,346	
	<b>Total Expenses</b>	<b>12,503</b>	<b>38,884</b>	<b>78,479</b>	<b>139,613</b>	<b>148,913</b>	<b>154,657</b>	<b>160,269</b>	
	<b>Operating Profit</b>	<b>28,604</b>	<b>9,692</b>	<b>6,979</b>	<b>41,902</b>	<b>13,023</b>	<b>37,565</b>	<b>63,868</b>	3
	<b>Other income / NHLF Grant</b>	<b>1</b>	<b>-</b>	<b>13,950</b>	<b>57,474</b>	<b>44,399</b>	<b>-</b>	<b>-</b>	<b>4</b>
	<b>Corporation Tax</b>	<b>4,447</b>	<b>1,841</b>	<b>1,324</b>	<b>2,959</b>	<b>5,961</b>	<b>7,137</b>	<b>12,135</b>	
	<b>Net Profit/loss</b>	<b>24,158</b>	<b>7,850</b>	<b>5,646</b>	<b>12,614</b>	<b>25,414</b>	<b>30,428</b>	<b>51,733</b>	
<b>Targets:</b>									
	Contribution to sinking fund			3,000	4,000	5,000	5,000	5,000	
	Contingency 10% expenses			7,848	13,961	14,891	15,466	16,027	
	Utilities & Asset Owner costs			35,975	37,030	37,286	51,599	51,946	5
<b>Notes</b>									
	1	FY 23 includes grants delivered in FY23 & FY24							
	2	FY23 & FY24 include costs for grant delivery plus outsourced PM costs brought in house in FY25 onward							
	3	Operating profit inflated FY23 & FY24 by grant carryover and under resourcing in Building & Maintenance putting the House and occupants at risk							
	4	Portion of £250,000 NHLF grant budgeted for staffing							
	5	Includes estimated Business Rates in FY28 & FY29							

For full details see spreadsheet version.

## Appendix 2 - Business plan: Organic Growth only

<b>Exec summary - Organic Growth</b>									
		Actual	Actual	Forecast	Projection	Projection	Projection	Projection	
		2023	2024	2025	2026	2027	2028	2029	Notes
<b>Turnover</b>									
	University cultural partnership	14,435	17,771	21,325	25,590	28,149	30,964	32,512	
	Retail	9,755	9,990	10,911	11,456	12,029	12,630	13,262	
	Tours	10,563	10,464	12,151	13,251	17,069	19,019	29,550	
	Space hires	13,538	23,511	32,816	38,342	40,259	42,282	44,419	
	Events income	427	2,565	5,500	6,750	9,350	12,350	15,750	
	Grants and Donations	21,698	6,881	2,377	2,615	2,876	3,164	3,480	1
<b>Total Turnover</b>		<b>70,416</b>	<b>71,182</b>	<b>85,080</b>	<b>98,004</b>	<b>109,732</b>	<b>120,409</b>	<b>138,973</b>	
<b>Cost of sales</b>		<b>29,309</b>	<b>22,606</b>	<b>14,330</b>	<b>14,868</b>	<b>15,702</b>	<b>16,557</b>	<b>17,435</b>	2
<b>Gross Profit</b>		<b>41,107</b>	<b>48,576</b>	<b>70,750</b>	<b>83,136</b>	<b>94,030</b>	<b>103,852</b>	<b>121,538</b>	
<b>Expenses</b>									
	Employee Costs	1,109	22,292	42,548	55,280	63,203	65,120	67,094	
	Premises Costs	7,388	4,762	11,700	12,004	18,223	19,198	20,181	
	General & Admin Costs & Pr	4,006	11,830	13,403	14,571	11,077	12,280	18,567	
<b>Total Expenses</b>		<b>12,503</b>	<b>38,884</b>	<b>67,651</b>	<b>81,855</b>	<b>92,503</b>	<b>96,598</b>	<b>105,842</b>	
<b>Operating Profit</b>		<b>28,604</b>	<b>9,692</b>	<b>3,098</b>	<b>1,281</b>	<b>1,528</b>	<b>7,255</b>	<b>15,697</b>	3
<b>Other income / NHLF Grant</b>		<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Corporation Tax</b>		<b>4,447</b>	<b>1,841</b>	<b>589</b>	<b>243</b>	<b>290</b>	<b>1,378</b>	<b>2,982</b>	
<b>Net Profit/loss</b>		<b>24,158</b>	<b>7,850</b>	<b>2,509</b>	<b>1,038</b>	<b>1,237</b>	<b>5,876</b>	<b>12,714</b>	
<b>Targets:</b>									
	Contribution to sinking fund			3,000	4,000	5,000	5,000	5,000	
	Contingency 10% expenses			6,765	8,185	9,250	9,660	10,584	
	Utilities & Asset Owner costs			35,975	37,030	37,286	51,599	51,946	4
<b>Notes</b>									
<b>1</b>	FY 23 includes grants delivered in FY23 & FY24								
<b>2</b>	FY23 & FY24 include costs for grant delivery plus outsourced PM costs brought in house in FY25 onward								
<b>3</b>	Operating profit inflated FY23 & FY24 by grant carryover and under resourcing in Building & Maintenance putting the House and occupants at risk								
<b>4</b>	Includes estimated Business Rates in FY28 & FY29								

For full details see spreadsheet version.

## Appendix 3 - Risk Register summary

[Full version with mitigations etc is here](#): request permission to access if necessary.

RISK DESCRIPTION	IMPACT DESCRIPTION	SCORE BEFORE MITIGATION	PROBABILITY LEVEL BEFORE MITIGATION	PRIORITY LEVEL
<i>Brief summary of risk</i>	<i>What might happen if the risk is not mitigated or eliminated?</i>	<i>Rate 1 (low) to 5 (high)</i>	<i>Rate 1 (low) to 5 (high)</i>	<i>Impact x probability . Address highest first</i>
Deterioration to the fabric of the building	<a href="#">See specific building risk register (sheet 2)</a>	4	4	16
Key person becomes unavailable: ██████████	Significant. Risk of loss of purpose and discipline in the day to day life of the house and the start-up journey. Risk that the project is overwhelmed by hard-to-manage inevitable occurrences. Risk that we lose corporate memory because too much is still poorly undocumented.	4	3	12
We think we're a capable and effective Board. But what if key skills are missing, or we have blind spots?	We'd somehow overlook important aspects, or underperform at key moments. Board becomes dysfunctional, generating more heat than light.	4	3	12
Antisocial behaviour disrupts the life of the house, possibly is seen as "by Fairfield"	Risk to safety of staff, volunteers and visitors; risk to reputsation of the house; serious complaints from neighbours; lasting damage to relations; legal sanction	3	4	12
We lose the confidence of any of the communities this project is supposed to serve	Loss of legitimacy; controversy and conflict	3	3	9

Well-intentioned works initiatives done without consultation or oversight cause inadvertent damage to fabric or relations with other stakeholders, or damage to the CIC/B&NES partnership	Ripped up floors, damaged cornices, breach of listed building regulations, possible shoddy/substandard work	3	3	9
Project is undercapitalised	Insecure project; unable to meet essential commitments; constant financial crisis causing stress and reputational damage	3	3	9
Room licensing risks: voids, defaults, disruptive tenants not sympathetic to the life of the house	Loss of income, diversion from business plan, tension in the house	3	3	9
Corporate compliance issues: failure to meet statutory CIC/Companies House requirements	Loss of confidence; struck off as directors	3	3	9
Lack of resources, other priorities or bureaucratic inertia render B&NES unable to fulfil its partnership commitments in a timely and professional manner	The project is stymied and cant go forward in a timely and businesslike way; the project has fatal flaws baked in and is not viable	4	2	8
Revenue streams < outgoings	Gradual deterioration; inability to meet commitments; things fall apart; key individuals overstretched	4	2	8
Change in the built environment (with loosening of planning regs) eg major development in Menen gardens	Depends: traffic levels change, overlooking buildings	4	2	8
We commit to a partnership agreement or agree a lease that is structurally flawed and doesnt work for some reason	Project becomes unfeasible; tensions between the partners B&NES and CIC; bankruptcy; other unforeseen risks to the legacy	4	2	8

Takeover by splinter group or caucus which sees Fairfield as solely their rightful heritage but does not respect the equal rights of other communities and stakeholders	This risks making Fairfield unwelcoming to other key stakeholders; we'd lose good will and impact. Possible Equalities Act implications	3	2	6
Serious malicious vandalism or arson attack motivated by hate (racial, ethnic tensions eg anti-BLM or sectarian Ethiopian groups)	Potentially catastrophic fire with total loss or serious damage to fabric of building	5	1	5
Overcommit: the CIC mistimes taking on the asset from B&NES; it takes on a burden it cannot manage	The project fails and the liabilities come back to B&NES	3	3	9
Undercommit - we fail to take sufficient responsibility for the asset leaving too much control with B&NES. B&NES then has a change of heart, or this makes Fairfield ineligible or unattractive for external sources of support which are prejudiced against Council control.	The future of the legacy is not secure; we cant get external funding	3	3	9
Business underperforms	The CIC is unable to take on essential staff (management, maintenance)	3	3	9
Relationship with core anchor tenant BEMSCA becomes dysfunctional for some reason	Significant loss of income; fundamentally undermines core moral justification for occupancy of the house	3	3	9
Lack of sinking fund	A building crisis or major maintenance bill arises; we dont have the funds to deal with it	4	4	16

July 2024

For enquiries email [trustees@fairfieldhousebath.co.uk](mailto:trustees@fairfieldhousebath.co.uk)

Ends

