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CONSERVATION TRUST

St Peter's Church: Heritage Gateway?

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A Report Commissioned by The CCT

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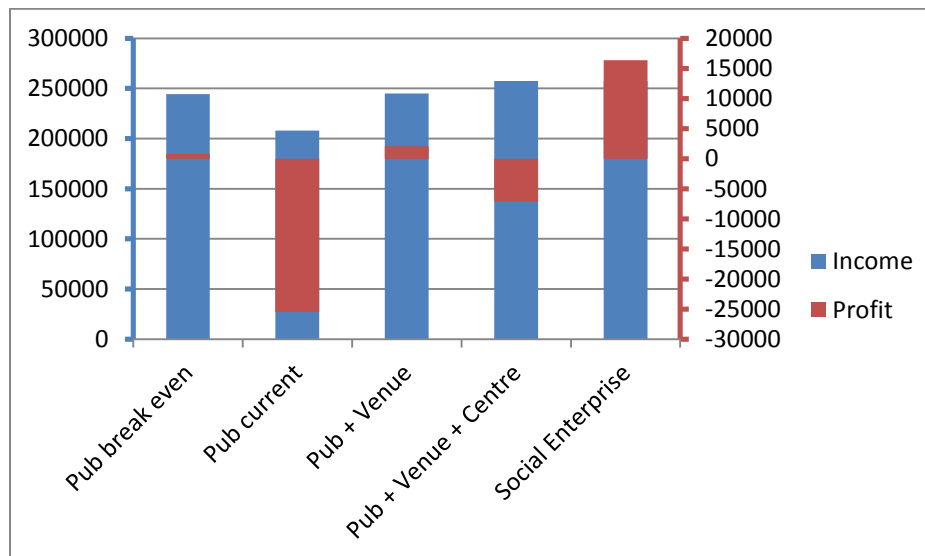
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Executive Summary

St Peter's Church, Northampton, is an underused but yet magnificent church surrounded by a range of redundant commercial buildings, failing ventures and the absence of a burgeoning adjacent community. In contrast is the presence of several interest groups who share a vision to see the area regenerated albeit from their own perspectives. The church is an asset of The Church's Conversation Trust, lying next to the Black Lion pub, and within a yet to be exposed Northampton Castle heritage environment. We believe that none of these entities, by themselves, have the key to a successful and sustainable development of the area.

The underlying problems are that church has little traffic at present and in itself is not a destination, the pub is presently unprofitable with tenants who have abandoned the project, (indeed two other pubs in the vicinity have closed), and there appears to be little prospect of public funding to deliver the castle project. And yet, the area is in very close proximity to the main railway station which is undergoing a refurbishment and development programme, in easy walking distance to the new Northampton Waterside Enterprise Zone scheduled to start in 2013, and is ideally placed to be the heritage gateway to Northampton. If a short term solution can be found to start the regeneration process the long future looks achievable.

Northampton Business School has been commissioned to examine the feasibility of a potential collaborative development involving The Church's Conversation Trust in partnership with the Wellington Pub Company and supported by the Friends of St Peter's and Friends of Northampton Castle. Interviews were conducted with all stakeholders who willingly shared information. A variety of outline financial modeling scenarios have been completed.



Based on conservative but realistic assumptions, the optimum solution appears to blend the interests of the public, private, third and community sectors into a social enterprise venture with the church and castle creating destination traffic which can be commercially fulfilled by a visitor centre, restaurant outlet and meeting venue. There is scope between the partners to fulfill the funding requirement and to deliver this within 18 months aided by a local social enterprise agency like Enterprise Solutions.



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Stakeholders

The Church's Conservation Trust (CCT) www.visitchurches.org.uk

The Friends of St Peter's Church www.fostp.org.uk

Friends of Northampton Castle www.northamptoncastle.com

Wellington Pub Company www.wellingtonpubcompany.co.uk

Enterprise Solutions www.enterprise-solutions.org.uk

West Northamptonshire Development Corporation (WDNC) www.wndc.org.uk

University of Northampton Business School (NBS) www.northampton.ac.uk

Docks Leisure Limited www.docksleisure.co.uk



Wherever possible within the timescale, all potential stakeholders have been interviewed. Much of the information supplied was given in confidence, and will not be shared in this report, nor is the purpose of this report to state the merits of each stakeholder. The focus is, however, entirely on social impact and innovation which is financially sustainable.

Schedule

| | |
|--|---------------------------|
| Background meeting with Peter Aiers | 16 th February |
| Instruction by CCT | 8 th March |
| Visit to St Peter's with Peter Aiers (CCT) | 13 th March |
| Meeting - Matthew Hobbs (NBS mentee) | 14 th March |
| Interview - Dr Marie Dickie OBE (Friends of Northampton Castle) | 27 th March |
| Interview - Terry Holland (Property Manager, Criterion Asset Management) | 28 th March |
| Interview - Mrs Jean Hawkins (Chair, Friends of St Peter's Marefair) | 2 nd April |
| Meeting – Sarah Kirkpatrick (Agency Manager, Enterprise Solutions) | 3 rd April |

The Wider Context



Pragmatically speaking, this redundant church is surrounded by empty offices, challenged housing estate at Spring Boroughs, and largely disused shopping centre. Despite the pub being on walking route from the railway station to the town, it is not at the centre of anything



particularly inspiring. There is some doubt that the landlord could make the lease sufficiently attractive to allow commitment when so many have failed in the immediate vicinity. To make any venture a success will require the creation of a destination. The church in itself is beautiful but not particularly big, inanimate and of rather niche interest despite it being one of the best Norman churches in the country. With a capacity of less than a 100, the church cannot be a venue of any significance.

Only the castle, dating back to 1084, has sufficient gravitas to become the centre of a campaign and together with the 1130 St Peter's church, could tell a new story and create a heritage perspective on the town that could draw sufficient footfall to make the project economically viable. To make the castle real, however, will require exposing some elements in order to bring it back to life and the creation of a heritage gateway or "campus".

SWOT Analysis

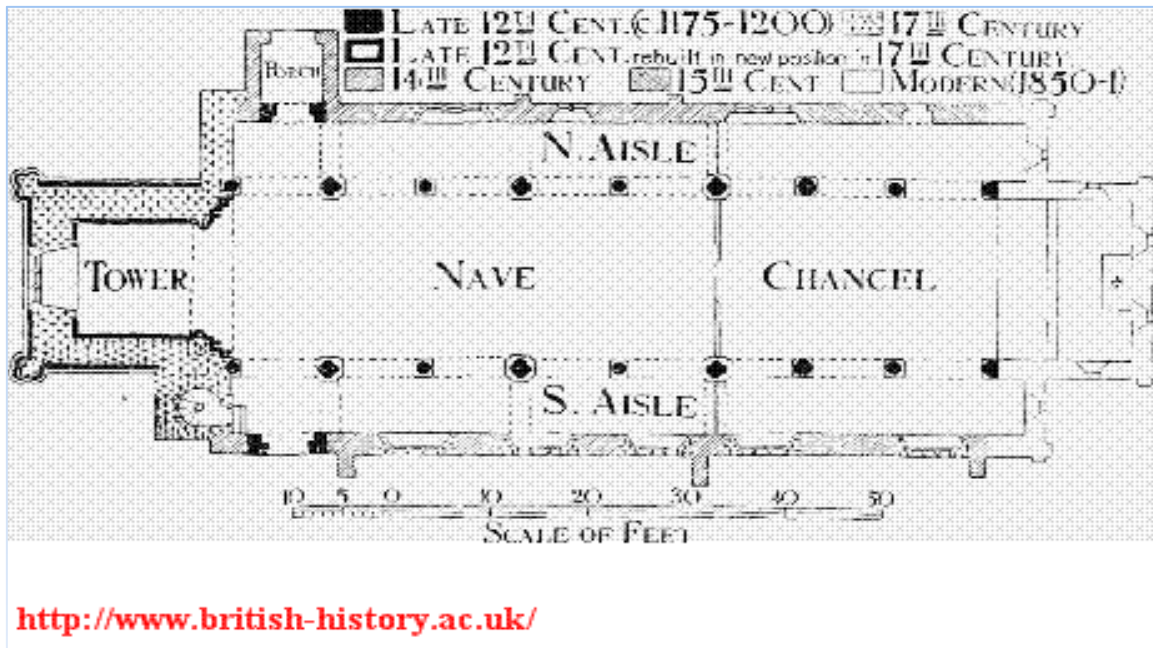
A December 2011 undergraduate NBS student study of the church provided the following rudimentary table. Whilst primitive, it nevertheless highlights the fact that in itself the church has insufficient capacity to be considered in isolation.

| | |
|---|---|
| <p style="text-align: center;"><u>Strengths</u></p> <ul style="list-style-type: none"> • Is unused so could potentially be occupied straight away • Is a good size from exterior • Looks to have had work done on it • There are 2 entrances (one at front and one at back) • Located almost in centre of town • Has a car park (60p per hour) located behind it just off the ring road (about a minute walk from the church) • Has a road which leads straight to the back door of church so good for deliveries • Located near to railway • Aesthetically beautiful • Has a wall around perimeter enhancing security • Approximately 3 car parks surrounding the church • Is architecturally beautiful internally | <p style="text-align: center;"><u>Weaknesses</u></p> <ul style="list-style-type: none"> • may not get permission to make internal changes • a one way system at the front of church • depending on opening times, the car park may get full due to a nursery being situated nearby • burials within the church and around the base may cause issues |
| <p style="text-align: center;"><u>Opportunities</u></p> <ul style="list-style-type: none"> • potential expansion • located around empty office blocks and next to a pub with a fish and chip shop nearby • potential large customer market • large external grounds in which to work on | <p style="text-align: center;"><u>Threats</u></p> <ul style="list-style-type: none"> • Lack of public interest in the site as it is • May turn out to be a poor location • Lack of parking space and disabled accessibility in relation to the potential visitors • The potential chances of profitability may be an issue |



A Blended Approach

CCT has promoted the bringing together the interests of the Black Lion Pub and St Peter's Church by converting the stable block to the rear of the pub to a tourist visitor centre for the church. This will be through the creation of a rear passage way from the back of the stables to the church through a flight of stairs and opening up the church wall. CCT have commissioned schematics of what the feature may look like and this is appended to the report. We understand WDC have made available UK£ 15k towards this work which of course is insufficient to complete it.



To examine the feasibility of this we have conducted a very simple P&L based on figures kindly offered to us by the landlord of the Black Lion Pub. We looked at the following scenarios:

- (i) The break even figures for the pub as forecast by the landlord (appended), not including we notice any profit to the tenant which we have added back as a rather modest UK£ 21k annually earmarked as 'Director'.
- (ii) The current running rate at the pub, which we estimate at a c. UK£ 25+k loss.
- (iii) A projection of the original Church-Pub solution, as given above, on a private investment basis (not grant aided). Although we accept that it may be feasible to fund from heritage awards and thus make this more financially attractive, we do not believe however that the church in itself is of sufficient attraction to bring traffic to the pub to achieve the elevated figures shown.
- (iv) A projection of a larger integration, to include the castle remains, to become part and parcel of the visitor centre. We think if undertaken sensitively, with some key excavation and exposure of the castle, then this may be sufficient together with the church to attract numbers to the heritage gateway to provide for a reasonable



increase in the turnover of the food/drinks business. It may be unlikely that it could remain as a straightforward pub but become an allied café, food, and drinks outlet. Nevertheless, on a private basis the figures are not encouraging.

- (v) Finally, we took scenario (iv) but run as a social enterprise with a blended mix of private finance, heritage monies, volunteer workers in the visitor/venue areas only, and paid staff including Director. This would indicate a feasible and sustainable solution. We have approached Enterprise Solutions, based in Northampton but part of the Co-Operatives UK movement, whether they would be willing to lead on the setting up and running of such an initiative. Early indications are positive. Whether the social enterprise becomes the lessee of the pub (converted to a more general food outlet), or this is carried out separately, requires further investigation.

Next Steps

1. Our study has indicated that a broader interpretation of the CCT vision that is inclusive of a wider agenda has grounds for success in the short and long term. This project will be the start of a whole area regeneration, not an end in itself. It may be modest but it is wholly achievable and will naturally lead to further and more ambitious developments in the future.
2. We believe all the main stakeholders required to deliver this programme are already party to this initiative and thus it is not dependent on large public sector intervention that often needs an approvals process which is detrimental to the social impact. The Wellington Pub Company are not averse to considering capex projects that enhance their property.
3. We believe there is sufficient merit to warrant a deeper study and delivery of a business plan detailing the final option of running the area as a social enterprise. The UK£ 15k kindly offered by WDNC is a Section 106 contribution and thus cannot be spent on a feasibility study. The CCT have indicated, however, that it is highly likely to invest in further feasibility work if other partners want to pursue this project.
4. Examining the Friends of Northampton Castle report (also appended), we note UK£ 10.5k is being requested to undertake a feasibility study. We suggest this work may well be best placed rolling up into the above study to provide for a UK£ 25k consultancy into the whole area resulting in a substantive call for action. There may be some overlap to mitigate these costs.
5. In a spirit of open government, open business and transparency, we believe this report should be shared with all those participating in the study, as well further afield to gather comment and harvest interest.



Appendices

| Black Lion Pub Church Venue Visitor Centre | UK£ | Pub Break Even | Current Pub | Pub + Venue | Pub + Venue + Centre | Social Enterprise |
|--|------------------------------|-------------------|----------------|----------------|----------------------------|----------------------|
| SALES | | | | | | |
| | draughts | 164589 | | 164589 | 164589 | 164589 |
| | wastage | -3292 | | -3292 | -3292 | -3292 |
| | packaged | 44028 | | 44028 | 44028 | 44028 |
| | minerals | 20862 | | 20862 | 20862 | 20862 |
| | Wet Sales Total | 226187 | | 226187 | 226187 | 226187 |
| | Snacks | 6196 | | 6196 | 6196 | 6196 |
| | Total Pub Sales | 232383 | 208000 | 232383 | 232383 | 232383 |
| | Machine Income (awp, pool) | 12000 | | | | |
| | Visitor Centre | 0 | | | 12500 | 12500 |
| | Church Venue | 0 | | 12500 | 12500 | 12500 |
| | TOTAL INCOME | 244383 | 208000 | 244883 | 257383 | 257383 |
| GROSS PROFIT PUB | | 135961 | 58.51% | 121695 | 143274 | 150588 |
| COSTS | | | | | | |
| | manager | 12168 | 12168 | 12168 | 12168 | 12168 |
| | bar | 9464 | 9464 | 9464 | 9464 | 9464 |
| | cleaner | 9282 | 9282 | 9282 | 9282 | 9282 |
| | NI | 2319 | 2319 | 2319 | 2319 | 2319 |
| | Director | 21000 | 21000 | 21000 | 21000 | 21000 |
| | shop | 0 | 0 | | 12000 | 0 |
| | venue | 0 | 0 | 1500 | 1500 | 0 |
| | Total Wage | 54233 | 54233 | 55733 | 67733 | 54233 |
| | Occupancy | 19873 | 19873 | 19873 | 25000 | 25000 |
| | Admin | 2900 | 2900 | 2900 | 4000 | 4000 |
| | Operating | 19200 | 19200 | 19200 | 25000 | 25000 |
| | Total Costs | 96206 | 96206 | 97706 | 121733 | 108233 |
| | Interest on Capital Employed | -10000 | -10000 | -15000 | -20000 | -10000 |
| | Profit Before Rent | 41755 | 15489 | 43068 | 33855 | 57355 |
| | Rental Bid | 41000 | 41000 | 41000 | 41000 | 41000 |
| | Lessees Profit | 755 | -25511 | 2068 | -7145 | 16355 |

Occupancy (rates, water, heat, electric, insurance, depreciation)

Administration (stocktaking, accountancy, bank charges, licensing)

Operating (repairs, advertising, Sky, rental, entertainment, materials, motoring, etc)

