

3 Mar 15

Visit Bute Board Members (Via Andy Walters)

## **BUTE CHARITABLE TRUST FEASIBILITY STUDY**

**INTRODUCTION** I was asked by Andy Walters to conduct a feasibility study on forming a “Bute Trust” along the lines of the Arran Trust. At the Visit Bute (VB) board meeting on 26 Feb I promised to have some initial thoughts to the Board by the end of the week commencing 2 Mar 15. I have used the holding name “Isle of Bute Trust” (IOBT) for this putative organisation.

**CONCLUSION** There is a definite place for an IOBT in the community. Such an organisation would, however, need a dedicated member of volunteer staff to make it work effectively (see Paragraph 5b). This individual would need to be backed up by influential trustees, who would act as advocates, raise funds and engage the large numbers of interested parties and to get them going in one direction.

**RECOMMENDATION** It is recommended that Visit Bute:

- Engage with possible candidates to run the IOBT.
- Engage with possible trustees.
- Engage with possible donors.
- Be prepared to support the birth of the new organisation with some funding and technical support. The funding would have to be taken at risk initially.

**ANALYSIS** I consulted a review of available information using the OSCR website, the Arran Trust Site, and had a useful discussion with Sheila Gilmour of Visit Arran/Arran Trust (AT). I have split my analysis into 7 areas:

1. **Establishment of IOBT.** Typically, a form has to be filled in! See [here](#) for details. The Trust would have to:

- a. Pass the charity test as set out at sections 7 and 8 in the 2005 Act.
- b. Have a constitution which contains the required elements as set out in section 50(3) of the 2005 Act, and in the Scottish Charitable Incorporated Organisation Regulations 2011 (the General Regulations).
- c. Have a principal office in Scotland.
- d. Have at least two members. The SCIO’s first members are the two or more individuals who apply for the incorporation of the SCIO. **Comment.** Ultimately, 2 is probably too few - it will lead to allegations of corruption/malfeasance!

2. **Purpose, Beneficiaries and Activities.** A charity must have a Purpose, Beneficiaries and Activities. I recommend the following:

- a. **Purpose.** Increase the attractiveness of Bute as a place to live, work and visit.
- b. **Beneficiaries.** (This is a straight lift of the Arran Trust Beneficiaries).
  - (1) Other defined groups.
  - (2) No specific group, or for the benefit of the community, Other charities / voluntary bodies.

c. **Activities.** Give targeted assistance to individuals, businesses and organisations to fulfil the purpose.

3. **Structure.** The options are basically to be a SCIO <sup>1</sup> or a Charity. AT recommend SCIO as it leads to reduced accounting requirements. The IOBT needs to run in parallel from VB, but be clearly separate and independent. Board Members may be shared – but care has to be taken to stress the independence of the SCIO/Charity. Perhaps one member of the VB board should be on the IOBT board of trustees.

#### 4. **Finances.**

a. **Income.** Some thoughts on this only – much more work will be required:

(1) **Startup.** Seed funding from VB/Visit Scotland?

(2) **Operating Costs.** Some ideas for raising the operating costs are:

- (a) Collection tins in hotels and on ferries.
- (b) Subsidised by some businesses.
- (c) Give local businesses "2 for price of one" (VB and IOBT) - increase price to say £100. (whatever the market will bear)?
- (d) Grant from Johnnie Dumfries?
- (e) Website donations
- (f) Specific fundraising events. For example:

- a. Ask Bute Beer to name a batch after IOBT, and give 1p per pint to the trust?
- b. IOBT Stall at Butefest - selling IOBT memorabilia.

b. **Expenditure.** Outline costs would be:

(1) **Setup Costs.**

- (a) Domain Name. (£10-15).
- (b) Web Hosting and email account. (£50/Year).
- (c) Web Work - Free?
- (d) Cash for demo project. See Paragraph 6a.
- (e) Legal and Charitable fees.

(2) **Running Costs.** Assuming no paid staff, office costs would likely be negligible. I would assume the IOBT would be run from home. The following would be a minimum requirement:

- (a) IOBT Mobile number (£20 per month?).
- (b) Laptop, e-mail account (£20/year) and printer.

(3) **Costs of Projects.** I think that, initially, projects would need to be funded on a case-by case-basis (ie, funding would be raised for each project).

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<sup>1</sup> Scottish Charitable Incorporated Organisation. See: <http://www.oscr.org.uk/charities/becoming-a-charity/scio>

5. **Governance and Administration.** There needs legally to be a separation between VB and IOBT. Specifically, in the case of funding -it should be noted that Arran Trust is completely self-financing and a separate entity from Visit Arran.

a. **Trustees.** There need to be a number of trustees (say 5 or 7 – Arran Trust has 7) ; the following is a possible structure:

- (1) Chair.
- (2) Secretary.
- (3) Treasurer.
- (4) (2 or 4) ordinary members. Suggestions:
  - (a) Local business person not directly involved with tourism.
  - (b) Conservationist.
  - (c) Member of the public <25 years of age.
  - (d) Member of the public > 50 years of age.

b. **Administration.** There would be a need for a volunteer Administrator. This individual would provide the continuity for the Trust and would need to act as an advocate for the organisation. Additionally, they would be required to:

- (1) Maintain the website.
- (2) Answers queries (email and phone).
- (3) Maintain the project list.
- (4) Other duties as required.

## 6. **Some Thoughts on Projects <sup>2</sup> and Funding.**

a. People of Bute should see that little/no money stays with IOBT (ie, an absolute minimum goes on administration). The first "exemplar" projects should be highly visible and central – maybe in Rothesay or Port Bannatyne. For example:

- (1) Shop fronts in Rothesay.
- (2) Hanging baskets in Montague Street.
- (3) Youth Projects.

## 7. **Thoughts on a Messaging Strategy.**

a. **Expectation Management.** It is important not to have a false start, and to manage expectations carefully. The ideal would be to start quietly: (Establish IOBT, do something obviously for the common good, then broadcast it). It is important to avoid a "Heathrow Terminal 5 Moment" <sup>3</sup>.

b. **Engage Public.** Once we have successfully done something, the public should be engaged with a messaging campaign via BCC, the Buteman, Facebook and the Internet. This should seek to:

- (1) Explain the objectives and aims of IOBT.
- (2) Ask for volunteers and donors.
- (3) Solicit ideas for projects.

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<sup>2</sup> Some examples of Arran Trust projects are here: <http://www.arrantrust.org/project>

<sup>3</sup> This was the opposite. BAA created an expectation of excellence before the opening of LHR T5 in 2008 –as you will know, the baggage system didn't work, and there was a huge amount of bad publicity. See here for more. <http://news.bbc.co.uk/1/hi/uk/7314816.stm>

Original Signed

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