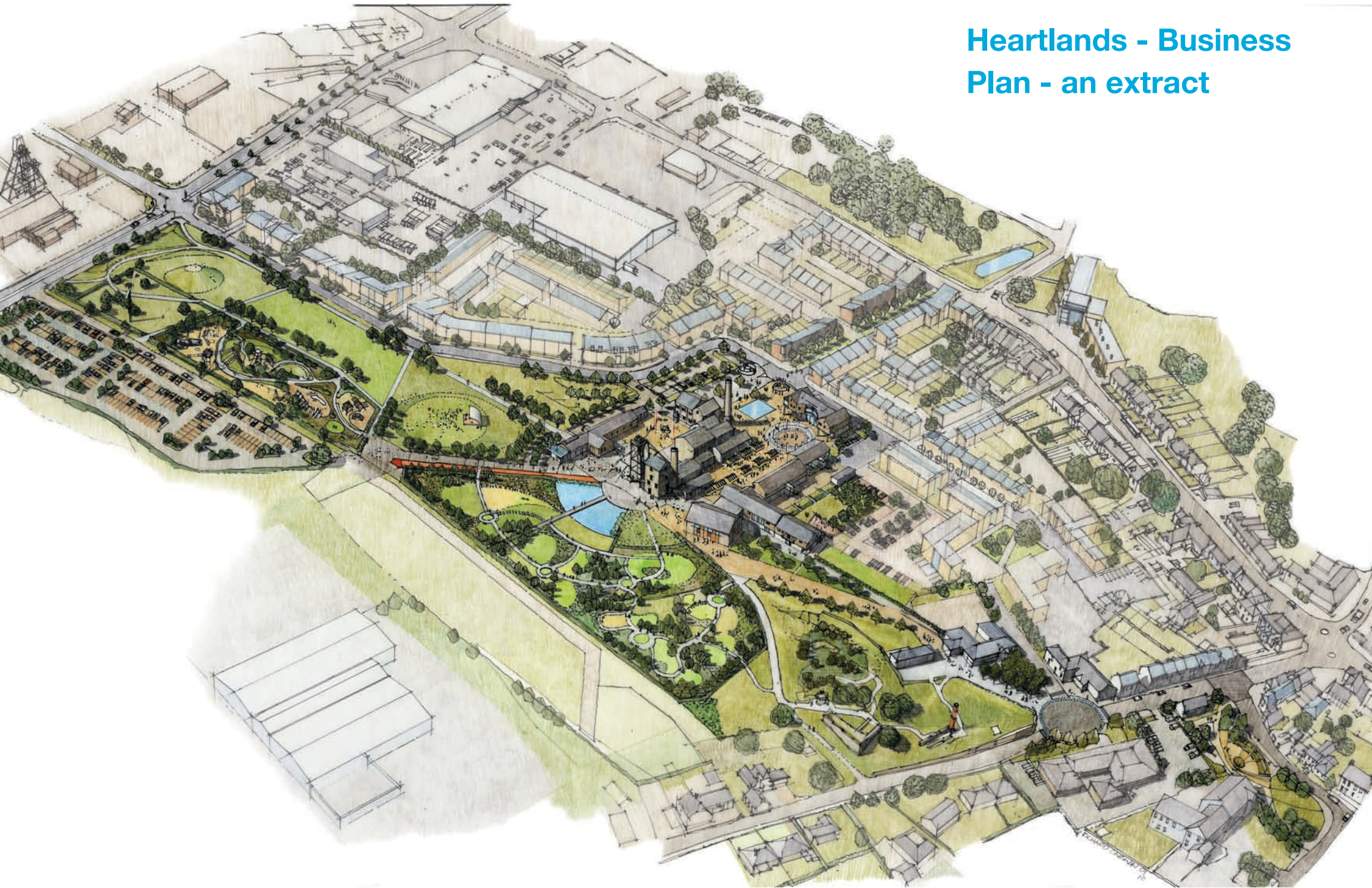


**Heartlands - Business
Plan - an extract**



Heartlands - A Social Enterprise

The Project

Opening in October 2011, the £35 million project at the former tin mining site, Robinson's Shaft, Pool, Cornwall will:

1. Renovate the mine buildings of the historic core
2. Remediate contaminated land
3. Construct new buildings
4. Provide new low impact energy, water and waste systems.

It comprises:

1. A visitor centre and gateway to the Devon and West Cornwall World Heritage Site
2. A Park with adventure play and gardens
3. Catering
4. Retail
5. Market squares and event areas
6. A children's centre and community hall
7. New streetscape works for Pool village
8. Cycle ways and new footpaths

9. Energy generation, waste and water systems

For businesses, creative workers and residents:

10. Offices
11. Studios
12. Conference and corporate facilities
13. Apartments for sale and rent

Capital Funding

The scheme was awarded a £22.3 million grant by the Big Lottery Fund in 2007. The balance of funding comes from the Homes and Communities Agency, Cornwall Council and the EU Convergence programme.

Ownership and Operation

In the development phase Cornwall Council is the Accountable Body responsible for the design and build. The Council will retain its responsibility to the Lottery fund for forty years, but on completion of the build phase it will pass the operational responsibility to the Heartlands Trust which will hold a long lease on the site. With its ancillary trading company

the Trust forms the core of Heartlands as a social enterprise.

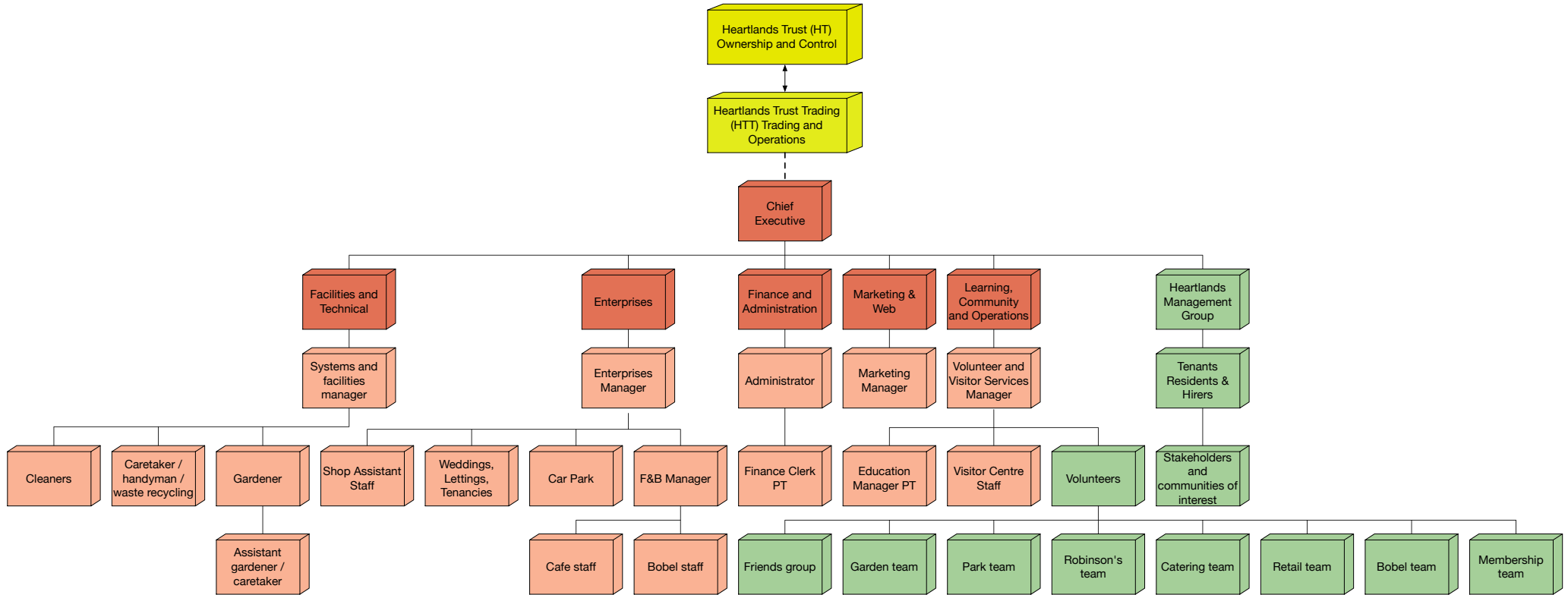
The Trust is able to provide services and goods through trading, to make surpluses for reinvestment and to raise funds to maintain, renew and develop its assets. It benefits from the Rating and taxation advantages of a charitable enterprise. It has no revenue support, locally or nationally.

Outcomes

1. At the first level, the new development offers a significantly enhanced quality of place for local people - a walkable development with a park, playgrounds and high quality public realm. On this foundation, new facilities and services are created at a much higher level than is normally achieved through market forces alone.
2. Secondly, by providing a large free to access attraction, Heartlands will create a significant addition to the South West tourism product. The mix of landscape, play, heritage interpretation, business and the arts is unique in the region and is

expected to prove a significant draw. This audience provides the volume trading base for the scheme.

3. To complement the seasonal nature of these tourism based revenue streams, spaces for hire, rent and events are provided. These generate benefits to local and regional businesses, both commercial and cultural, add to the attractiveness of the site and help to balance cash flow throughout the trading year.
4. To lower the project's carbon footprint, keep costs down and improve its resilience, the energy, heat, water (and some of the waste recycling) systems are owned and run by the Trust. These systems have low environmental impact make financial sense and are part of Heartlands' ethos that sustainable development requires higher levels of systems integration than has previously been the norm.
5. With this range of interdependent activities, Heartlands is relatively



complex, and it will be run by four linked groups:

- 5.1. A Board blending cultural and commercial experience
- 5.2. A paid staff team - the backbone of the operation
- 5.3. Volunteers and the wider stakeholder groups - identified above in green
- 5.4. The Heartlands Management Group (also shown in green)

which has representation from site users and residents and which acts to ensure site wide integration of operations, energy generation, waste management, funding and development

Working together these four teams are designed to operate the project to business disciplines, to grow networks of connection and influence and to build social capital.

Sustainable

At a fundamental level a sustainable enterprise is one which creates physical assets which it can repair, maintain and renew over time. For Heartlands, careful attention has been paid to both physical design and materials across landscape and buildings to ensure that local products are used, that they are brought together in adaptable ways and that the engineering systems that support them are modular.

On the basis of this foundation commercial businesses, social enterprises and a wide range of cultural activities can grow. The asset base is thus supported and developed through a mix of trading income, interest on investments and future grants. This approach, with flexible built assets, multiple income streams and a whole site management thinking will help ensure that the social enterprise can be sustained over time.

In addition, the wider area master plan has been drawn up with Heartlands at its centre, with the project spearheading rising

awareness of the development potential of the area and providing immediate tangible examples of high quality design. These have been codified in a design guide which provides a development framework for future building local to the site.

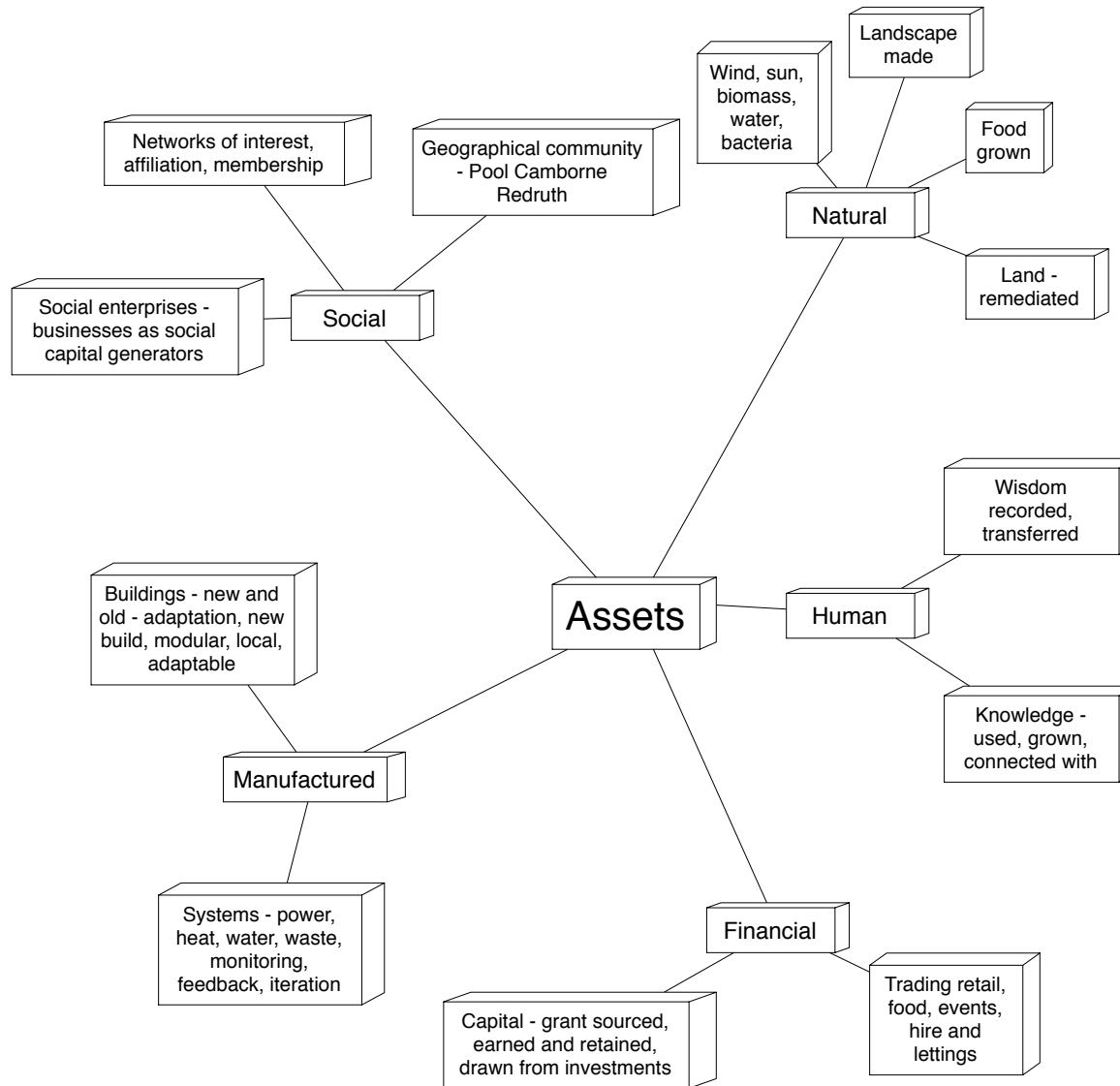
The main Heartlands site also includes land undeveloped in the first phase and the project is expected to benefit from a rise in adjacent land values as the wider development process progresses. Reciprocity between social and commercial forces is thus built into the thinking.

The community is seen as the multi layered meeting ground of people, place, business and culture.

Stewardship

Sustainable development over the long term requires new ways of thinking. Our starting point has been the Five Capitals of the Forum for the Future and these have been redefined as five asset groups. They are:

1. **Natural** – Heartlands starts with a need to remediate contaminated brownfield land, restoring the local environment to a usable state post industrialisation. In addition, measures are in place to ensure that carbon creation is low during the



construction phase. It also seeks, in operation, to have a low impact on the wider environment using energy management and generation systems.

Budgets are provided in the trading model to support this part of the asset base.

2. **Financial** – Cornwall Council acquired the land and buildings which make up the first asset base for Heartlands from a number of landowners. The assembly pattern of these assets is complicated and is dealt with elsewhere in the Business Plan. These assets have a value and the development phase has added to this. It is this improved and developed asset base that the Council will handover, on a long leasehold interest to the Heartlands Trust. Again a clear picture of the value of the assets at handover is given elsewhere in the Plan via an Asset Register, plans, list of covenants and restrictions and three trial Balance Sheets: a) at handover b) at the end of the first full year's trading and c) at the end of a predicted five year's trading. The health or otherwise of the Balance Sheets is largely dependent on the fund raising and trading activity of the Trust and the degree to which the enterprise can repair, maintain and replace its natural and manufactured assets. This is a key resilience test for any social enterprise.

3. **Manufactured** (made and built) – Heartlands consists of a number of newly made and refurbished structures, systems and hard and soft landscape areas; the future asset base of the project. Careful attention to design,

materials and systems to reduce operational costs all help the future revenue position in terms of maintenance and replacement. Wherever possible resilience is built into the systems by using modular designs and by mounting service runs in easily accessible ways. Plant and machinery have been kept to a minimum. In addition, system monitoring, control and, where appropriate, billing systems will be employed. These physical assets are a key part of the mix because although the land and buildings will always have a value the 'made' assets are a large part of the trading base of the project. They also constitute a large element of the project's look and feel and therefore its status as an attractive destination to live, work and play.

4. **Social** – building social capital is a key goal of Heartlands. Whilst the provision of amenities and facilities for people who live locally is essential it is equally true that Heartlands is conceived as a developer of social capital: human networks, their degrees of connection and the knowledge, activity and money that flow through them. A range of communities of interest, affiliation, commerce and membership will grow outwards from Heartlands. Friends and volunteers will form a social capital resource which is essential to the

development of the project, alongside the core paid staff. Equally the Trust Board and those who live on the site and rent or hire spaces are seen as central to Heartlands as a social enterprise.

5. **Human** – whilst the project has largely benefitted from the temporary support of consultant and specialist teams in the design and build phase, it is built on a long history of community engagement and the distinctive social history of the area, and it is intended that, in operation, it will grow human capital in a number of ways; a) through staff development and training b) through the volunteer and support programme and c) through the development of tenant businesses. Further, the monitoring and management systems which will be in place will create a body of knowledge about integrated, sustainable social enterprises, for which Heartlands is a model for the future.

Although Heartlands has been developed with high degrees of community participation and with a strong sense of place, it is also fundamentally a project about networks of action and influence.

Extract ends.