



Strategic Business Plan

2016 - 2020

The Emery Walker Trust

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This Plan is set in Doves Type, designed by Emery Walker.

0. Summary

- 0.1 This business plan aims to provide strategic direction for the business of The Emery Walker Trust ('EWT') in a time of change. This business model builds on the opportunities arising from the *Arts and Crafts Hammersmith* ('ACH') project in order to grow revenues and achieve financial sustainability.
- 0.2 This plan aims to remain true to the core values and objectives of EWT, and its role as the custodian of 7 Hammersmith Terrace and its unique collections. In doing so, it acknowledges the tensions between business growth and the need to preserve the unique heritage in EWT's care.
- 0.3 There is a critical and growing need for EWT to protect and grow its reserves. Revenues need to increase, and be balanced against investment in capacity, particularly in the areas of visitor growth and fundraising. Although EWT enjoys a relatively stable endowment fund, returns are not nearly enough to cover base operating costs, nor provide any meaningful income for core activity. The ACH project will, among other achievements, result in a stable and refurbished building; preserved, catalogued and digitised collections and archives; and greater capacity for heritage management and conservation. This lessens the immediate burden on cash reserves. These are critical improvements in securing EWT's heritage assets, and the ACH programme addresses the need for EWT to invest without an immediate burden on cash reserves. However, any shortfall in ACH project funding or visitor numbers – or in EWT's fundraising targets – will result in diminished reserves.
- 0.4 The plan proposes a more commercial attitude towards trading and revenue generation, by developing EWT's identity as a unique example of an Arts and Crafts interior, and through developing beneficial partnerships with other like-minded organisations. The ACH project is founded on a strong partnership with the William Morris Society ('WMS'), which will continue beyond the life of the project and this business plan.
- 0.5 The Trust employs a part-time Curator/Custodian (one day a week), who is supported by a large group of volunteers and the Trustees. This does not provide sufficient ongoing capacity to continue to deliver EWT's core outcomes, and will need to be enhanced, which will require additional investment. This will be an essential development once 7 Hammersmith Terrace reopens to the public in April 2017.
- 0.6 Volunteers are essential to the success of EWT, and the Trustees and paid staff will maintain a strong emphasis on building, sustaining and training them.
- 0.7 Fundraising growth is also essential. The legacy of the ACH project, in addition to increased organisational capacity and skill, opens up opportunities for charitable funds and donations, if a strategic approach is taken. Investment by Trustees in developing relationships with actual and potential donors is very important.
- 0.8 In financial terms, the plan:
 - 0.8.1 Returns increasing surpluses year on year
 - 0.8.2 Aims at surpluses from visitor programmes, growth in retailing opportunities and events, and collaborations in participatory and learning activity with WMS and other partners.
 - 0.8.3 Increases income from fundraising, for both revenue activity (conservation in particular) and future capital and building needs from 2020

- 0.8.4 Aims to preserve and grow the investment reserves, thus providing for sustained income and, in the longer term, building an endowment to assure the future of EWT and the house and collections
 - 0.8.5 Aims to achieve ongoing economies in operating overheads, through an improved asset base
 - 0.8.6 Invests in resources for curatorial activity, operational management and fundraising
 - 0.8.7 Balances commercially aware attitudes to revenue generation with conserving EWT's heritage assets
- 0.9 The plan also aims to offer value for money to all stakeholders, funders and supporters.
- 0.10 In delivering the plan on the back of the major changes presented through the ACH project, EWT - and therefore its staff, trustees and volunteers - will go through further change and transition. Support and skills development will strengthen and underpin this programme of change. The trustees recognise that strong, consistent and appropriate governance will be essential to oversee the delivery of this Strategic Business Plan.



1. Vision, aims and objectives

The Emery Walker Trust aims to promote the widest possible appreciation of the legacy of Emery Walker and the Arts and Crafts movement.

This follows the Trust's charitable objects, stated as

“the advancement of the education of the public in art crafts design and architecture in particular ... by (a) promoting public interest in and the study and appreciation of (1) artists, craftsmen, designers and architects of the nineteenth and early twentieth centuries and their works and (2) the Arts and Crafts movement and (b) acquiring and thereafter conserving maintaining and displaying for the benefit of the public 7 Hammersmith Terrace and its contents and any other property associated with or produced by Sir Emery Walker or any other members of the Arts and Crafts movement.”

Our priorities for achieving this aim are:

- 1) to provide access to 7 Hammersmith Terrace and its collections and garden, through
 - (i) regular and increased opening to the public
 - (ii) digital access to the house, its interiors and collections
 - (iii) increased promotional and marketing activity, as a legacy of the *Arts and Crafts Hammersmith* programme
- 2) to encourage the study and enjoyment of the work of Emery Walker and the Arts and Crafts movement, through
 - (i) providing an learning and participation programme in conjunction with the William Morris Society
 - (ii) collaborations with others to encourage research into all aspects of the house and collection
- 3) to conserve, manage and curate the house, its garden and its collections, so that
 - (i) items are protected and preserved for future generations
 - (ii) there is a cogent narrative to present to all our audiences
 - (iii) there is greater opportunity to exhibit items from the reserve collections and archive materials
 - (iv) EWT can achieve national museum accreditation standard – providing an authoritative benchmark for performance, achievement and growth; raising profile; focusing on visitor needs more effectively; and – significantly – strengthening cases for funding and patronage
- 4) to complete the Arts and Crafts Hammersmith programme successfully, and develop its legacy, through
 - (i) using the refurbished building and its interiors, collections, displays and exhibitions to improve the experience of both visitors to 7 Hammersmith Terrace and the audiences who access it remotely
 - (ii) taking full advantage of opportunities for increased visitor numbers and extended visitor seasons
 - (iii) taking full advantage of income generation - fundraising, retailing, events, programmes and commercial activity
 - (iv) developing the joint learning and public engagement programme with the William Morris Society
 - (v) achieving a balance between conservation need and public access

- 5) **to develop a sustainable, resilient and robust organisation, that**
 - (i) has sufficient capacity and skill to deliver its aims
 - (ii) operates efficiently and economically
 - (iii) has strong leadership and governance
 - (iv) offers full value to its beneficiaries and stakeholders
 - (v) promotes volunteering and public engagement at all levels
 - (vi) takes a commercial approach to its business, to allow both continued operation and re-investment
 - (vii) has effective fundraising capacity

Business objectives

- 1) **Protect and grow EWT's financial sustainability and cash reserves, through increasing annual net surpluses from 2017**
- 2) **Increase visitor numbers to 7 Hammersmith Terrace to 2,000 annually by 2020 (50% increase on 2014)**
- 3) **Increase annual revenues from commercial activities (visitor income, hires, events, retailing, property rental) by at least £20,000 by 2020**
- 4) **Develop fundraising as a reliable and growing income stream, to deliver an annual revenue income of £18,500 by 2020**
- 5) **Seek operational economies to maintain margins and keep overheads to below 65% of income by 2020**
- 6) **Building capacity for growth and sustainability by increasing core operational staffing resources by 0.3 FTE (£6,500 per annum) from 2017, and invest in capacity for fundraising from 2018**
- 7) **Raise the profile of EWT and its work through strategic marketing, promotional and communications activity, and through partnerships with the William Morris Society and others**

Supporting financial information is provided in summary on page 20.



2. Context and achievements

Background

- 2.1 The Emery Walker Trust (EWT) was set up in February 1999 by Elizabeth de Haas, who had inherited 7 Hammersmith Terrace on the death in 1963 of her friend Dorothy Walker, Emery Walker's only child. The Trust was endowed with the freehold of 7 Hammersmith Terrace and with funds of £450,000, which Miss de Haas had raised by the sale of Emery Walker's fine-book library to Cheltenham Art Gallery & Museum in 1990.
- 2.2 The Trust came into operation on Miss de Haas's death in June 1999. The Trust deed names six institutions with a particular connection with Emery Walker or the Arts and Crafts movement – the Art Workers' Guild, the British Museum, the Society of Antiquaries, the Society for the Protection of Ancient Buildings, the Victoria and Albert Museum and the Victorian Society – who may nominate trustees. The Trustees may also co-opt additional Trustees.
- 2.3 As a move to manage governance and business risk effectively, and to support a sustainable business model, EWT was incorporated as a company limited by guarantee in November 2014. Its charitable status and objects were maintained. This move confirmed the trustees (see 2.4) as directors of the not-for-profit company, with limited liability.
- 2.4 At the time of writing (July 2016), there are twelve Trustees (see page 22) who meet at least four times a year. The current chairman is Michael Hall. The Trustees delegate day to day management to a curator/custodian, Helen Elletson, who works one day per week. Operations depend hugely on a dedicated group of volunteers, who undertake tour guiding, administrative, gardening and event management duties. Since 2015, staff capacity has been enhanced by project posts under the *Arts and Crafts Hammersmith* programme.

Significance

- 2.5 Emery Walker (1851-1933) is best remembered for the help that he gave to his friend and neighbour William Morris in setting up the Kelmscott Press. He was also associated with several other important private presses, notably the Doves Press, founded in 1900 by T.J. Cobden Sanderson, who lived at 7 Hammersmith Terrace from 1897 to 1903.
- 2.6 Built in 1755, 7 Hammersmith Terrace is a narrow, three-storey brick house with a basement and attic. Its principal interiors, all of which are currently shown to the public, are the groundfloor dining room (which opens into a conservatory), first-floor drawing room and secondfloor bedroom. All have views over a walled garden that runs down to a terrace and summerhouse overlooking the Thames. These small rooms, which survive essentially as



Emery Walker decorated and furnished them in the early twentieth century, document both the life of an important associate of William Morris and the impact of Morris & Co. on the history of interior decoration.

- 2.7 In its intact state, the house also vividly exemplifies Hammersmith's long association with art and craft that began in the eighteenth century and has continued to the present day. Many of Walker's friends and associates in the Arts and Crafts Movement, including the calligrapher Edward Johnston and the sculptor Eric Gill, lived or worked nearby. William Morris's Hammersmith home, Kelmscott House, provides the base for the William Morris Society, which opens part of it to the public.
- 2.8 Furnished with Morris wallpapers and textiles, as well as furniture and other objects designed by Philip Webb, and crowded with Walker's mementoes of his friends, 7 Hammersmith Terrace has some of the best-preserved and most atmospheric authentic Arts and Crafts interiors in Britain. The fragility of this unique and beautiful ensemble presents a significant challenge in terms of providing public access.

Landmarks and Achievements of the Emery Walker Trust

2.9 The main landmarks and achievements have been:

- 1) **Initial investment and repairs to enable public opening and enjoyment** of the house since 2005. Over £200,000 was spent between 2000 and 2012 in establishing public opening, and essential conservation of priority items in the collections.
- 2) **A programme of public access** to the house from 2005, seeing as many as 1,500 visitors a year on guided tours, study events and 'open house' activity.
- 3) **A strong and dedicated leadership from trustees**, committed to preserving the house and its contents and maintaining the legacy of Emery Walker and his family, and the original aims of the Trust as established upon Elizabeth de Haas's death in 1999.
- 4) **Managing and reducing annual costs**, leading to a sustained period of financial balance and small annual surpluses since 2012.
- 5) **Accumulating knowledge and skill relating to the preservation, conservation and curation** of the house and contents. This has informed the development activity within the ACH programme, and current view of collections. The Trust has been fortunate in being able to draw on the expertise of an honorary Academic Curator, the historian Aileen Reid, who undertook the initial cataloguing of the collection and has carried out research into it.
- 6) **A robust track record of volunteering**, from organising the opening of the house, leading the tours, and forming the core workforce which enables the Trust to offer and maintain public access. Volunteers also take responsibility for maintaining the garden and are involved in organizing events and fundraising. They were also involved in the consultation process to determine strategic outcomes of the ACH activity programme.
- 7) **A burgeoning partnership with the William Morris Society**, borne of complementary aims and joint objectives, from two-site visits and activities and sharing of resources and information, to the planning of the ACH programme (2012-2014), and its inception and delivery (since 2015).

- 8) **A public profile**, achieved through interest in the house from media, TV productions as a location, and broadcast; the development of a website (www.emerywalker.org.uk), online booking and social media activity; and through partnership with several significant networks of small museums aimed at greater collaboration, especially for marketing and publicity: London Shh (London Small Historic Houses; www.londonshh.org), the London 'Famous Five', which includes Leighton House; and the Morris Network, which links it to the William Morris Gallery, Red House, Kelmscott Manor and Wightwick Manor.
- 9) **A track record in fundraising** as a basis for growth. Charitable funds for early building repairs and conservation have been secured in the last decade, although since 2013, fundraising activities have, in the main, focused on the partnership funding requirements of the ACH project, resulting in (at the time of writing), over £200,000 secured (96%) from trusts such as Garfield Weston Foundation, Mercers Charitable Foundation, Charles Hayward Foundation and landfill tax investment via Viridor Environmental Credits. However, it is acknowledged that a more strategic approach to fundraising from a range of private and charitable sources is needed. This will benefit from the legacy of the ACH campaign but will require enough capacity, expertise and skill at staff, volunteer and trustee level over a number of years in order to succeed.
- 10) Significantly, **the establishment and delivery of the *Arts and Crafts Hammersmith* programme** to date. This £1m partnership project with the William Morris Society not only allows much needed capital refurbishment and repair to buildings and conservation work to collections and archives, it also provides a blueprint for future operations and partnership activity. The programme's legacy, from 2018, will include improved physical spaces for visitors, extended opening, market and audience development potentials, increased profile, digitised and online collections, strengthened volunteer and staff capacity, and a proven partnership model.

Arts and Crafts Hammersmith

- 2.10 EWT is involved in a close strategic and operational partnership with the William Morris Society, ***Arts and Crafts Hammersmith*** ('ACH'). The two organisations have worked in partnership successfully for a number of years, delivering heritage services to the residents of and visitors to the Hammersmith riverside. EWT employs a Curator/Custodian for one day a week who is also employed as Curator for WMS.
- 2.11 The partners agree that, by working together on a more formal basis, they can better effect the step-change in service delivery needed to bring the work of both organisations to more users, residents and visitors and diversify their audience base. By coming together there is a desire to ensure that the heritage of both William Morris and Emery Walker is valued, celebrated, secured and widely enjoyed, with both partners working together. ***Arts and Crafts Hammersmith*** is its outcome.
- 2.12 The project comprises a mix of capital refurbishment and improvement works to both organisations' premises to enhance



visitor experiences, ensure a proper museum-standard setting for the extensive archives and collections, and build capacity and resilience for future operations. The latter comes from a programme of audience and learning development work, improved conservation practice, development of volunteering and investment in access and marketing. The project, with a budget of £1m, is supported by £631,100 from Heritage Lottery Fund ('HLF'), £250,000 of partnership funding and over £100,000 in volunteer contributions in kind. Over 96% of funding has been secured (at July 2016).

- 2.13 With the securing of HLF funds and engagement of a project manager, the project formally commenced in January 2015. The decant of the entire contents of 7 Hammersmith Terrace took place between July and November 2015; these are now in secure museum storage, where a parallel operation is based during building works to catalogue and digitize the archive materials and carry out conservation and cataloguing on the collections. EWT supports this work through a Collections Working Group (a subset of trustees and advisers), which, with the curator, has methodically and scrupulously assessed the collections against criteria, to inform future worth and potential de-accessioning. The result has been a far better understanding of the scale and detail of the collections, across the various phases of the house's occupation, and their value to EWT's over-arching aims.
- 2.14 In addition, the nature of the archive materials has become more clearly known. These will be digitised to form a publicly accessible online record, launching in 2017. However, the trustees are clear that the house itself is unsuitable as the long-term repository for the archive, for reasons of conservation and public access for research. Negotiations are currently under way to establish a working partnership with a host organisation for the archive materials in the long term. This business plan allows for this, and for any costs that may be associated with depositing and conserving materials on a long-loan basis and for EWT borrowing back items from the archive for temporary display in the house.
- 2.15 Capital plans also involve the creation of a new exhibition space within the house, designed to display and interpret collection and archive items that for conservation and other reasons have not previously been available to the public. EWT has committed to raise funds (estimated £25,000) for this sub-project separately, to ease budget pressures on the main ACH programme. It is hoped to develop this space during 2017, potentially over two phases as funds allow.
- 2.16 Capital works on site run during spring and summer 2016; the contents are re-instated in the autumn of 2016 and the planned relaunch of the house is intended for spring 2017. Enhanced public programmes run from 2017, and the project will end its funded phase in 2018.

3. Resources, funding and business model

- 3.1 The business model for EWT has to recognise the need year on year not only to generate surpluses, but also to build financial reserves. To avoid those reserves being eroded over time, the ongoing financial position must move to sustainable and reliable surplus. Revenues must increase, and costs managed.
- 3.2 Over recent years, EWT has managed to turn a series of planned annual deficits into surpluses, but there is little headroom to manage significant developments, or to replenish reserves. The *Arts and Crafts Hammersmith* programme has provided much needed capital investment into the house, the collections, conservation and activities, but this needs to be sustained.
- 3.3 Trustees have agreed an approach to generating resources to meet the future needs and EWT will continue with its fundraising campaigns aimed at the achievement of three principal objectives;
 - 1) to continue to open the house to the public on a financially sustainable basis;
 - 2) to undertake a series of initiatives designed to widen access to the house and an understanding of its legacy; and
 - 3) to continue its work of conservation and upkeep.
- 3.4 At the time of writing, just over £985,000 has been secured to meet the £1,020,000 target for the ACH project. £35,000 of cash funding is still required; EWT is liable to underwrite approximately £25,000 of this. This still remains a risk for EWT, albeit a low and manageable one.
- 3.5 To alleviate pressures on the project finances, EWT trustees agreed to undertake fundraising for the house's proposed exhibition space as a separate exercise (target: £25,000), and to provide investment into the commercial development of the basement flat (£6,000). The latter is aimed to have a commercial return through higher market rents, but this will only be fully realised over 3-4 years.
- 3.6 Staff capacity to deliver growth is key. Investment in an additional staff member for one-and-a-half days a week to support the Curator/Custodian is required.
- 3.7 The Plan also recognises that revenue income over the period of the closure of 7 HT to undertake the capital works under the ACH programme has been minimal while the house was not available as a visitor attraction and could not generate rental income from tenants of the basement flat. The consequential reduction in reserves potentially runs the risk of reducing returns from investments.
- 3.8 To lessen the impact of this shortfall, the Trustees have instituted a programme of events to raise funds. A public symposium on aspects of the collection was held at Kelmscott House in 2015, raising approximately £2,000, and further such activities are planned for the period leading up to the house reopening in 2017.

3.9 The business model proposed within this Plan

- a) Predicts sustainable revenue growth from increased visitor numbers from 2017
- b) Anticipates greater secondary spend from visitors, as part of improved physical trading areas , a high quality visitor experience, and more vigorous promotion
- c) Looks to generate revenues from other commercial activity such as hires, group visits and participatory activity (principally through the partnership with WMS)
- d) Ramps up annual growth in fundraising, combining the legacy of the ACH campaign and an increase in trustee and – from 2017 – identified funding to support the fundraising programme
- e) Invests in support staffing, primarily to offer support in curatorial outputs, but also to take on operational activity in maintaining a high quality heritage experience
- f) Continues to manage overhead costs vigorously
- g) Takes a realistic approach to the long term costs of appropriate conservation and management of collections and archives
- h) Maximises the rental potentials of the improved and refurbished basement flat, but moderates this against the limitations of the space
- i) Looks for benefits and economies of scale associated with partnership working



4. Audiences, markets and participation

- 4.1 The public profile of EWT and the house is linked closely with the Arts and Crafts movement, and Emery Walker and his circle (including William Morris and Philip Webb), with visitors and researchers having a predisposition towards these themes.
- 4.2 7 Hammersmith Terrace itself is far more than just the home of Emery Walker. It tells the story of a century, demonstrated by the growth and range of the collections, and the influences of the house's subsequent custodians: Dorothy Walker and Elizabeth de Haas. We have the opportunity, through the ACH programme, to open up to new audiences.
- 4.3 The unique authenticity of the house and its interiors is a huge asset, and is central to EWT's identity. The variety of stories and influences within the house are also a draw, where a variety of interests – Arts and Crafts design and ethos, the significance of Walker and Morris as typographers and book designers, late Victorian antiquarianism, 20th-century domestic living – can be catered for.
- 4.4 The potentials for marketing the house are exceptional, and the ACH programme looks to make the most of this in its initial forays into market development until 2018. Reciprocal value can be added to the both partners' public offers through joint visits, initiatives, study activity, and sharing of resources for learning, including space.
- 4.5 The house also has a depth of intellectual resource that can appeal to researchers, scholars and others who may possess greater connoisseurship. Curatorial knowledge can feed academic strands of work, study and research.
- 4.6 EWT will therefore position and market itself to its existing and potential audiences as:
- A unique, authentic and atmospheric heritage visitor attraction
 - An historic house museum of high quality, with professional standards in curatorial practice
 - An organisation of intellectual rigour
 - The teller and and interpreter of a range of stories from a range of characters over a century of domestic occupation
 - A welcoming space that understands and caters for a wide range of audiences and their expectations
 - An organisation that balances its role as a visitor attraction with the custodianship of unique collections
 - A collaborative partner that welcome joint working opportunities
 - A local amenity for community enjoyment as well as a resource of national importance
 - A commercially minded organisation with sustainability at its heart



5. SWOT analysis

Strengths	Weaknesses
<p>An improved and refurbished heritage visitor attraction</p> <p>Authenticity and atmosphere of interiors as a selling point</p> <p>Credibility in scholarly and academic circles</p> <p>Unique archives and collections</p> <p>Prime location, on tourist routes</p> <p>Strength of position in networks</p> <p>Strong partnership with the William Morris Society</p> <p>Basement flat as a stable and growing source of revenue</p> <p>Financial reserves providing investment income</p> <p>Trustee succession planning</p> <p>Strong staff, trustee and volunteer base</p>	<p>Lack of public awareness of EWT and its work</p> <p>Lack of capacity to deliver potentials long term</p> <p>Lack of capacity to raise and steward new sources of funding</p> <p>More activity could lead to loss of focus</p> <p>Demands on staff and limited capacity</p> <p>Physical constraints for visitors</p> <p>Limited infrastructure to manage commercial operations</p> <p>Over reliance on volunteers</p> <p>Business plan relies on fundraising</p> <p>Need to manage different priorities for change within EWT</p>
Opportunities	Threats
<p>Legacy of <i>Arts and Crafts Hammersmith</i> project</p> <p>7 Hammersmith Terrace will no longer be 'one of London's best kept secrets' but a well-known resource for a wide audience</p> <p>New digital and online developments – catalogue, virtual tour etc – opening new markets</p> <p>Improved physical space opens up merchandising potentials</p> <p>Ability to display and interpret reserve collections, and host visiting exhibitions</p> <p>Volunteering growth</p> <p>Legacy of ACH fundraising = relationships to develop</p> <p>Awareness of local heritage</p> <p>Ability to promote awareness of Walker and his legacy through his relationship with Morris</p> <p>Ability to add value to education and learning programmes</p> <p>A wealth of new source materials for interpretation and learning programmes</p>	<p>Risks associated with delivery and funding of ACH</p> <p>Inability to maintain momentum of ACH programmes after 2018</p> <p>Tensions between visitor growth and conservation needs</p> <p>Competitive advantage of larger organisations with similar offers</p> <p>Loss of volunteers or declining enthusiasm as a result of the house being closed in 2016</p> <p>Scarcity of external funding</p> <p>Technological advances move faster than EWT's capacity to use them effectively</p> <p>Inability to deliver on the expectations of increasingly diverse audiences</p>

6. Strategy

Visitors

- 6.1 EWT will drive increase in visitors to the house. The optimum target level of visitors to the house in any one year is 2,000 – this is the maximum number that can reasonably be expected without causing conservation problems for the interiors or the collections, and is consistent with recent conservation management studies and the National Trust capacity tool¹.
- 6.2 Opening hours will increase by extending the season to nine months (40 weeks), made possible by environmental improvements. Open tours will run on two days a week (three per day), plus additional more bespoke tours through the week. The model assumes a maximum annual number of tours of 294, and a capacity of 8 people per tour – giving a total maximum annual capacity of 2,352 visitors (refer to model on page **Error! Bookmark not defined.**).
- 6.3 The current model of visits will remain, with led tours in the company of an official guide. Content and style of tour, and the allocation of volunteer guide to each tour, will reflect market expectations and areas of interest.
- 6.4 Added value will be provided in the form of improved interpretation in the reception area and exhibition space, additional exhibition materials (including reserve collections and archive materials), and an improved retail and merchandise offer. Secondary spending will be actively encouraged.
- 6.5 We will work with the EWT volunteer team to develop a refreshed experience for our visitors. The model (see page **Error! Bookmark not defined.**) assumes that the majority of tours will be volunteer led, with a total of 422 volunteer hours in the opening year 2017, rising to 563 by 2020. We would aim at this being spread across a pool of more than 20 volunteers, which allows for an average rate of one tour per volunteer per fortnight by 2020. The training, recruitment and support of the team until 2018 is provided under the ACH programme, and would be taken on directly by the EWT team from 2019, with greater staff capacity (see 6.37)
- 6.6 Further value to visitors will be offered by interactive elements and ‘deeper’ interpretation through digital means, allowing preparatory research and follow up. Digital plans within ACH are looking to include interactive tours, and information on mobile devices as visitors undertake tours. Themes of deeper interpretation could include 20th domestic life, the development of Arts and Crafts furniture through the 20th century, and the role of Elizabeth de Haas.

¹ As expressed in the Emery Walker Trust Conservation Management Plan (2009) and Conservation Needs Assessment (2014)

- 6.7 Joint initiatives with the William Morris Society will be instrumental in attracting further visitors. Joint tours, potentially including refreshment breaks in partnership with the Skittle Alley local coffee shop (in discussion), are being planned. These will be promoted widely to benefit both organisations.
- 6.8 EWT will adopt a detailed pricing strategy with the aspiration to achieve an average of £12.50 per visitor by 2020 (2014: £11.60). The pricing strategy will retain flexibility towards rates for groups and concession holders, and will differentiate between weekday tour rates and the more popular (and premium priced) weekend tours. It will also take account of market sensitivities, the need to adapt the tour offer to the interests of specific segments and comparable entry prices to local historic house attractions of similar scale. The new scale of charges will be in place from the 2017 re-opening season.
- 6.9 Added to this will be an expectation of secondary spend in retail purchases of £3.20 (2014: £2.40 approx). Ranges of merchandise will be appropriate and easily managed.
- 6.10 By 2020, visitors will reach 2,000 annually, producing revenues of £21,250 (2014: £15,071). This is reasonably ambitious, but achievable on the predicted audience figures and the improved quality of visitor experience.

Retail, hires and commercial trading

- 6.11 The enhanced and improved visitor offer, and the developed reception space at the house, can be used to drive greater sales and profits from retailing of gifts, souvenirs and mementoes. Working within the limitations of visitor throughput, retail lines can be developed and displayed that are thoughtful, unique and in line with the themes of the house.
- 6.12 An average retail spend per head of £3.20 (2014: £2.50) will see revenues increase to £6,400 in 2020. Profit margins of 55% by 2020 are anticipated, driven by keen purchasing and stock management.
- 6.13 The house also offers some potential as a location for photography, filming and corporate events. The added on-costs of servicing corporate events must be considered, and offered only as hires of space rather than services. The fragility of the interiors is also a factor. The use of the garden as a venue for corporate entertainment around Thames events will be promoted, building on our experience of letting it for private parties watching the Oxford and Cambridge Boat Race.
- 6.14 Nevertheless, there are increased potentials for organised events such as study days, active conservation workshops and talks/symposia in other locations. These have been treated as fundraising events hitherto, but have potential as commercial activity. The aim is to see an annual revenue of £5,600 by 2020 from a reasonably modest four events annually. This is bolstered by additional income from designated fundraising events of £3,000 by 2020. There will need to be clear distinction between these types of events in promotional materials and in accounting treatment.
- 6.15 Training of volunteer guides will support sales opportunities and cross selling; the partnership with WMS similarly.

Fundraising and charitable donations

- 6.16 The role of philanthropic giving is growing by necessity. The ACH project is instrumental in raising larger-scale funds, for capital and associated activity. This gives EWT an excellent grounding for developing relationships with funders. EWT aims to position itself more obviously as a recipient of philanthropy and charitable donation, to achieve its longer-term aspirations in conservation, property maintenance and learning programmes.
- 6.17 Fundraising, even at a moderate scale, is resource hungry, and key to any strategy would be the provision of adequate investment in resources to ensure tactical delivery and stewardship. The costs of delivering fundraising activity would, for a growing organisation with a new development strategy, be expected to be no more than around 40% of all funds raised, reducing to around 15% as the strategy becomes established.
- 6.18 EWT will develop and implement a comprehensive fundraising and development strategy, appropriate for the scale of fundraising aspiration. This would include:
- a) Establishing a portfolio of options for grant, personal and corporate givers, based around conservation, learning/participation, acquisitions, and curatorial activity
 - b) Aiming to build endowment funds, in order that returns can be directed employed to fund activity or posts from 2020
 - c) Training and capacity building to ensure staff and trustees are skilled to lead and undertake fundraising
 - d) Ensuring attentive stewardship of donors and keeping them informed and engaged
 - e) Active and sensitive promotion of legacy giving

Property income

- 6.19 The basement flat at 7 Hammersmith Terrace will be refurbished to a high standards and can be marketed later in 2016.
- 6.20 Greater revenues can be achieved than previous due to the market potentials of the space and its higher standards of accommodation. However, this is moderated by sharing access with the main house and not having a private garden. This limits the market to tenants with predisposition to the house and EWT, and reduces market value.
- 6.21 Realistically, a monthly rental of £1,000 is achievable (based on 2015 market predictions); this figure could be higher if the market grows as predicted.
- 6.22 Forecasts predict moderate turnover of tenants (new tenant from early 2017; changing in 2018) therefore limiting agents' fees.
- 6.23 Once again, the risks associated with staff capacity must be considered: commercial property management requires attention beyond EWT's core aims. EWT will continue to use professional letting agents to market the property and manage tenant movements; EWT will continue to manage the property day to day.

- 6.24 The garage and small driveway could also provide additional income potential, either let to the tenant, or to a third party for parking or storage. This has been included from 2017 as a moderate level of £20 per week.

Investments

- 6.25 EWT's investment portfolio is managed on a discretionary basis by professional brokers JM Finn & Co and the portfolio has generally performed better than recognised indices over the past three years. In 2014 the endowment generated an income of over £10,000. Gains on the Trust's portfolio of investments have also been healthy.
- 6.26 This strategy takes a cautious view as to future growth, and predicts an income of £8,500 annually. Additionally, any gains are not directly included in income figures, offering a very prudent view. Any better performance on this will be beneficial, and will provide the beginnings of income returns that can be put to use more effectively.
- 6.27 The trustees will continue to work with J M Finn & Co to advise investment decisions, and to maximise returns from future surpluses and any earmarked endowment funds raised. It is anticipated that over the period of this Business Plan the Trustees will continue to support a balanced approach to short- term revenue income and longer-term capital growth.

Overheads and cost control

- 6.28 EWT will continue to operate tightly, and seek operating economy at all times. The investments through ACH will bring down property overheads, running costs and repair and maintenance in the short term, but from 2020 further expenditure in these areas will be necessary. EWT has successfully reduced its overhead costs in recent years. In particular, the support of volunteers has been critical in providing business support. The re-procurement of core overhead functions including professional advice and insurance has reduced external fees.
- 6.29 Joint buying arrangements and other economies of scale with partner organisations can be used to reduce costs. Economies in insurance costs have already been employed from 2016; rebates from business rates during the period of non-beneficial occupation (till March 2017) have also been factored in.

Conservation and management of collection and archives

- 6.30 The Collections Working Group (a subgroup of the trustees, with the permanent Curator) will continue to monitor and advise further on conservation priorities and activities. It is a key outcome of ACH to understand the conservation needs of the house's collections more directly, and to organise priorities and resources to address them. The ACH programme undertakes a great deal of preventive conservation of both display and reserve collections. With the guidance of outside experts (working *pro bono* and commissioned by the Collections Working Group), the Trustees have agreed a policy for the rationalisation of items that entered the house after the death of Dorothy Walker in 1963 and have no historically significant relevance to the house and the core aims of the Trust.

- 6.31 From 2017, budgets make provision for a moderate annual spend on conservation. Conservation will be a high priority for project fundraising, and will aim to secure smaller contributions for specific work on selected items or groups of items from the collection.
- 6.32 Critically, the decision not to re-house the archive materials in the house following capital works has significant implications. At the time of writing, negotiations with a number of potential hosts of the archive long term are taking place, with the aim of depositing materials in the first half of 2017. The terms are still to be finalised.
- 6.33 This strategy allows for an initial spend of £5,000 in 2017 and £2,500 per annum thereafter to cover the costs of hosting and conserving the archive materials, and for any other on-costs associated with it, whether accessioned by the host, or on a loan arrangement. It is hoped that this is a prudent view, and actual costs will be lower. Again, this is a target for potential targeted fundraising.

Learning and participation

- 6.34 The legacy of learning and participation programmes from ACH will have a direct benefit from 2018. The input of a shared Learning and Volunteer Development Officer will build capacity, networks and markets.
- 6.35 EWT recognises that a continued partnership with WMS in this area is likely to yield considerably more than working alone. EWT will therefore take advantage of the partnerships, relationships and expertise developed, and maintain a position in enhancing curriculum activity, workshops and participation in association with WMS.
- 6.36 Market-driven charging must apply, to make a small contribution to profitability and provide fundraising opportunities.

Staffing and resources

- 6.37 Since 2010, EWT has operated very leanly in its staffing, having cut a full time curator post to one day a week. Additional volunteer support has been successful but it is now acknowledged that investment in support staffing is necessary to deliver core tasks in conservation and collections care, operations, events and general administration.
- 6.38 From 2017, EWT will engage a new assistant level post, on a 0.3FTE (1.5 days per week) basis and at any annual cost of c£6,500, to support these core functions. This can be developed as a post under an internship scheme, or as a development of new career entry initiatives for graduates (for example, as part of the legacy of the *Skills for the Future* programme of which the ACH programme is a partner). Additional medium term capacity is provided through ACH marketing and learning roles.

- 6.39 The strategy also includes building capacity for fundraising from 2018, to drive forward the legacy of the ACH partnership fundraising programme and tackle EWT long-term aspirations, such as long-term capital funds and endowments. This enhances rather than replaces the developed role of the trustees in fundraising, and it does not address more tactical fundraising events and initiatives.
- 6.40 Investment of £6,600 annually from 2018 is proposed, the detail of which will be developed as part of the future fundraising strategy from 2017. This level of investment is predicated upon achieving fundraising income as forecast.
- 6.41 Volunteer development undertaken in the ACH project will be fully supported and endorsed, and will continue.
- 6.42 The trustees will also work to achieve high standards of employment practice and continued professional development for staff, supporting through change and transition and ensuring compliance



Partnerships

- 6.43 Working in partnership with others, to widen audience reach and increase fundraising opportunities is key to success and growth. The partnership with William Morris Society is achieving just that.
- 6.44 EWT aims to develop its relationship with existing partners and networks (eg William Morris Network, V&A, National Trust) and seek ways in which aims can be delivered better and more effectively through working with others.

7. Governance, Risk and Delivery of Business Plan

- 7.1 EWT in 2014 incorporated as a registered company, as an appropriate response to managing its affairs and to risk.
- 7.2 The Trustees represent a range of skills with special relevance to the needs of 7 Hammersmith Terrace, notably in the fields of conservation architecture; museum curatorship and the conservation of collections; and academic expertise on the Arts and Crafts movement, Emery Walker and William Morris.
- 7.3 Succession planning in the trustee body is already well developed, and new trustees in recent years cover many of the acknowledged skills seen as hallmarks of an efficient governing body: such as in finance, management, legal and governance, and fundraising. This will continue.
- 7.4 Oversight and monitoring of performance against the aspirations set out in this Strategic Business Plan is the responsibility of the trustees and this will be the subject of regular review at trustee meetings. Trustees will review the key risks to delivery and will address mitigating actions as appropriate in order to secure the aims as set out in the Plan.
- 7.5 Trustees will retain oversight through review of financial performance against business plan targets and delivery of objectives. Financial monitoring will be undertaken at each regular meeting (currently five per year) as part of the financial reporting mechanism. There will be a full annual review of the business plan towards the end of each year, to review key risks to achieving EWT's business objectives, including actual income and expenditure, visitor numbers, and other key performance measures, and make adjustments as necessary.
- 7.6 Trustees will delegate appropriate budgets to staff, and these will inform personal objectives and performance indicators.
- 7.7 The trustees have considered the key risks to achieving the objectives of this Strategic Business Plan and will continue proactively and regularly to review, identify, mitigate and manage these and any new risks. Initial key risks are:
- Lack of staff and trustee capacity to deliver Plan objectives
 - Delays in re-launch in 2017
 - Failure of fundraising strategy
 - Overestimation of visitor numbers
 - Imbalance in commercial activity and conservation needs
 - Overestimation of revenue targets
 - Underestimation of costs
 - Impact of ACH funding shortfall = draw on EWT reserves
 - Unanticipated costs relating to the maintenance and conservation of the premises and collections

8. Financial plan

Key features of our financial plan are:

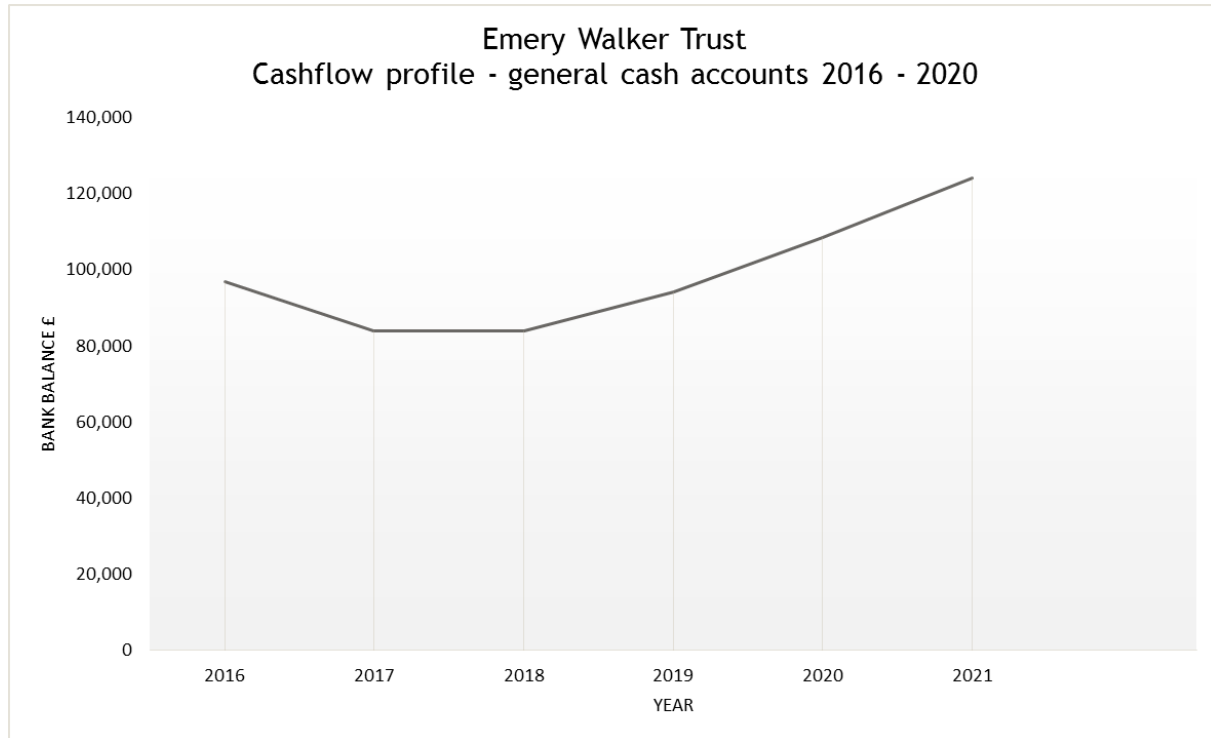
8.1 Five year profit and loss summary (2016–20)

- Recognises closure of house and drop in earned revenue 2016
- Consistent and growing surpluses from 2017
- Visitor numbers increase to 2,000 by 2020; 65% growth in income on baseline, 35% growth over plan life
- Realistic growth in property income and investment returns
- Doubling of revenue from commercial and retail sales by 2020
- Overheads from 84% of revenue in 2014 to 50% in 2020
- Increased importance in income from fundraising and donations – annual £18.5k revenue by 2020

THE EMERY WALKER TRUST						
PROFIT AND LOSS PROJECTION (SUMMARY)	Comparison	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	2014*	2016	2017	2018	2019	2020
	£	£	£	£	£	£
Total Earned Income	30,033	200	34,041	39,083	45,399	47,472
Total Other Income	18,219	10,700	17,000	19,000	24,750	27,000
Total Variable Costs	4,163	450	12,726	11,976	17,203	20,838
GROSS PROFIT	44,089	10,450	38,315	46,106	52,947	53,634
Total Fixed Costs and Overheads	39,704	23,445	32,296	35,724	40,664	42,368
TOTAL COSTS	43,867	23,895	45,023	47,700	57,867	63,206
NET OPERATING PROFIT / LOSS	4,385	-12,995	6,019	10,382	12,282	11,266
NET GAIN/LOSS ON INVESTMENTS	14,465	assume portfolio net value remains unchanged				
PROFIT / LOSS BEFORE CAPITAL EXPENDITURE	18,850	-12,995	6,019	10,382	12,282	11,266
CAPITAL FUNDRAISING INCOME	0	0	12,500	12,500	0	10,000
CAPITAL EXPENDITURE	0	0	18,500	12,500	0	10,000
FINAL PROFIT / LOSS TO GENERAL FUND	18,850	-12,995	19	10,382	12,282	11,266
General fund (less fixed assets) brought forward	345,264	370,470	357,475	357,493	367,876	380,158
General fund (less fixed assets) carried forward	364,114	357,475	357,493	367,876	380,158	391,424

8.2 Cashflow profile (free reserves)

- Positive cash position maintained despite deficits
- Reserves protected by cash profits
- Protection of cash reserves for any necessary ACH project underwriting or asset purchase



8.3 Revenue sensitivities

- Greatest exposure comes from failure of fundraising strategy and unexpected increases in overheads
- Less impact from failure of commercial revenues (visitor numbers, number of events, rental market slump), but consequential impacts (eg secondary spend from visitors, or gaps in rental income if tenants cannot be found) must be considered
- Profits generally stable and linked to revenue/costs of sale balance – but these depend on maintaining healthy sales margins. Slow sales cannot be boosted by discounting as this reduces surpluses – but cost cuts in supply lines can be considered

9. Contact and administrative information

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