Business Plan



Cotherstone Old Chapel Project:

**Shop Café Heritage Centre**

Cotherstone Old Chapel Project

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# Background – Where did the idea start

There have been village shops of all different kinds in Cotherstone for more than 100 years. However, by late 2019 the village was down to a single general store and even this single shop was up for sale (with little interest being expressed from any buyers).

In September 2019, the existing shop owners approached the Parish Council informing them that they were going to close their shop if they couldn’t find a buyer by March 2020. The shop owners asked if the Parish Council was interested in leading a community takeover of the shop.

The Parish Council arranged a public meeting to gauge the enthusiasm for a community owned shop in the village and over 100 local people attended the meeting, with a strong majority expressing a desire for a shop to continue in Cotherstone.

The Parish Council established a steering group to research the viability of such a scheme, looking not only at the existing shop, but at other possible locations in the village. The Steering Group determined that the best solution for the village was to buy the Methodist Chapel (which had recently ceased as a place of worship and was going to be sold) and redevelop it to install a cafe and shop. This followed a questionnaire sent to every household in Cotherstone.

At a second public meeting, the idea to buy the Chapel was presented to villagers, along with the reasons why this was the best option compared to the next best option which was buying the existing shop. This meeting produced strong support from the community for buying the Chapel, although there was a concern expressed that any project should not interfere with the plans that the existing shop owners had to sell their business as a going concern. Due to the concerns raised, the Parish Council felt unable to support buying the Chapel which led to the Steering Group resigning. A subsequent village referendum proved inconclusive and eventually the Parish Council decided to not to do anything to take the community concerns further. The last shop in Cotherstone closed in July 2020.

In October 2020 the existing shop site was sold as a private residence and so a group of independent villagers decided it was time to look again at the Chapel Project to see if they could restore a shop to the village. This new group has called themselves the Cotherstone Old Chapel Project and we have put this document together to explain our Business Plan and our vision for a community project.

# Setting the scene

The community of Cotherstone is not just the village but also a dispersed set of settlements stretching up Baldersdale. There is a long history of community action in the Parish which has successfully run a wide range of projects, including the Flower & Produce Show, local theatre groups, the Fun Weekend, children’s playpark and Trees for Cotherstone tree planting group etc. Community events are well supported and there is a strong pride in the area. In a number of public meetings, the community has expressed a desire for a village shop, post office and café.

 Cotherstone is also a popular centre for walking and kayaking, with many cyclists passing through and up the dale (an informal count of walkers on weekdays in a cold week in October 2020, during the pandemic, showed between 15 and 21 each day). Also, several published walking guides show walks beginning and ending in Cotherstone. On top of day visitors there are five large camping and caravan parks nearby, as well as several local businesses which attract regular visitors to the area.

The number of visitors to the village, coupled with the residents of Cotherstone and its surroundings create sufficient footfall to run a profitable café/shop. This is demonstrated by the fact that the Cotherstone shop which recently closed made a regular small trading profit.

Cotherstone has had one café in the recent past which had a good reputation, and we believe was financially viable despite being located slightly out of the centre of the village. We believe that a well located and advertised café would have considerable potential to add to the financial wellbeing of the Chapel project. A café would also provide the missing element to a community like in Cotherstone. We currently have no venue for people to meet socially in the day in an informal and comfortable setting. Whether it’s parents dropping off their children at school, isolated older people getting out for a stroll and a chat, or young people with nowhere to go.

Combining a cafe and a shop in the village means that we can create a community space, a valuable local amenity and do this in a self-sustaining way.

Once we have established a core business in the Chapel, based around a café and shop, we believe that there is significant opportunity to further develop the project. The heritage centre is the third aspect of our project. The décor of the shop/café will feature village heritage images; part of the existing school room will feature a display of resources and artefacts; we already have volunteers planning a ‘Village Through Time’ local history project. We also have many suggestions and ideas on how to further develop the chapel, some of which are listed further below. Any ideas taken forward must be complementary to the café/shop. Ideally, they will create additional funding for the overall project as well as driving additional business/footfall.

# Mission and aims

Our **VISION** for this project is to have;

***A Café, Shop and Heritage Centre venue to benefit and enrich the lives of the whole community***

To achieve this vision we have a number of **AIMS**

* **To ensure that we run a successful café and shop that is financially self-sustaining**
* **To provide a local shop that gives people access to essential products and services, especially to those who are vulnerable.**
* **To develop a friendly community café that promotes informal social interaction (both amongst volunteers and consumers) and thereby reduces rural isolation**
* **To create a café/shop and heritage centre that becomes a recognized local destination and so provides a boost to the local economy by both;**
	+ **attracting new visitors to our area; and**
	+ **ensuring that the numerous visitors who pass through Cotherstone (on foot, by bike, by kayak or in a car) stop in the village for a while.**
* **To develop opportunities and resources for those who are disproportionately affected by isolation, e.g. the elderly, those with physical and mental health problems and the young.**
* **To act as a focus for the development of innovative and diverse activities around key issues of concern such as the environment, loneliness, and mental health.**
* **To support and encourage local people and businesses making it easier for them to live and work in Cotherstone**
* **To work collaboratively with local businesses and local community groups to maximize our joint impact**
* **To enhance community resilience and cohesion**
* **To develop an income stream that can support community activity of all kinds.**

For this vision to be achieved we strongly believe that the café/shop needs to be a community run venture. By this we mean that the venture is owned by residents of Cotherstone (and its wider environs) and these owners determine how the Chapel project develops. We believe that a venture run in this way will draw people in to become volunteers and consumers; and allow us to be confident that we cover a whole range of different interests and concerns as we meet our mission *to provide a real benefit to the local community*.

The Chapel building itself is an old, large and striking building in the centre of the village. It is a beautiful building inside and out and with sympathetic restoration and development we will be able to create a very attractive cafe and shop space. To achieve our mission we need to create an environment that is inviting, inclusive and supportive, where people can meet friends, drop in for a pint of milk and have a chat; or have tea and cakes after a walk along the Tees or a bike ride up the dale. In the warmer months we can set tables outside in the garden area and in the colder months we can create a warm snug space for people to shelter from the cold and wet.

The Chapel provides sufficient space to install a café and shop, leaving areas for possible development in the future. Once we have the café and shop established, we would look to further expand. Listed below are some suggestions that have already been made and they illustrate the wide range of opportunities that could be taken up:

* arts and craft activities and exhibition space
* recycling initiatives
* a central village delivery site (for parcels and shopping)
* space to sell locally produced goods (jewelry, artworks, craft, cards, food etc.)
* space for visiting services (banks, financial advisors, hairdressers, beauty services etc.)
* office space for short-term rental to local businesses or business people (for business meetings, video conferencing, interviewing etc.)
* community ventures such as bulk buying gas/electricity, insurance etc.
* space for a visiting Post Office (after discussion with Village Hall committee)
* an ‘escape room’ or other entertainment related venture
* Pre-school group

The Chapel has good existing parking behind the building, as well as a further plot of land which could be used for other projects.

We hope over time the Chapel can become a focal point for the village, creating an amenity that the community can take pride in and which would also be a valuable addition to tourist facilities attracting people to Teesdale. Going beyond just being a cafe/shop will help make this a community hub that draws local people into become involved and investing in this initiative.

To help achieve our vision and ensure we create a lasting legacy for the village we have set out our **VALUES**. These express the way we want the business to be run;

***Inclusive*** – this not only describes how we want the business to be run (through a community run venture) but our desire to create a village amenity that has real benefit for all. We will manage the Chapel so that it is accessible to as many people as possible and will try to involve as many local residents and businesses as is possible; as customers, suppliers and in decision making.

***Welcoming*** – our café/shop will be an open friendly place that makes people feel welcomed. The committees we set up to run the various activities of the Chapel Project will also be open and friendly, people will be encouraged to participate and a spirit of togetherness will be fostered.

***Fair*** – the Project will be run ethically and fairly. We will treat people with respect and base our decisions on not just what we can do legally as an organization, but what is the right thing to do, always considering our vision and aims. This means that we are not driven solely to make more money (although our vision is to be financially sustainable) and we will make fair and equitable decisions based on things like minimizing the harms we do to the environment and protecting vulnerable individuals.

***Collaborative*** – we will actively look for opportunities to work with the local community to assist businesses and individuals in working and living in Cotherstone (and the surrounding parish). We will be open to any ideas, proving they lay within our vision, aims and values, to use the café/shop and Chapel Project to support the local community; e.g. being an outlet for local products and services, promoting local businesses, and using the Chapel space to house local groups.

***Professional*** – we will run the business diligently and with integrity. We will ensure health and safety standards are rigorously adhered to, financial controls are established and managed, employed staff are managed properly and effectively, and relationships with other parties (suppliers, lenders, government bodies etc.) are handled in a businesslike way. The café and shop will be run to make sufficient money to be fully self-sustaining (including building up reserves for emergencies).

# Management of The Project

We will establish a Community Benefit Society and adhere to best practice guidelines for governance (as laid down in the ‘Plunket Model Rules’ – see Appendix A). Given below is an overview of the Governance structure.

Members

Management

Team

Development Team

Heritage Team

Building Team

Café/Shop Team

*Management Team*– this body will be the main governing Team. They will be responsible for;

* Setting and implementing strategy. The Management Team will ensure that the overall strategy is clear and understood, is approved by the Members and is ultimately delivered.
* Managing the other Teams (Café/Shop Team, Building Team etc.). They will set the objectives and scope for the other Teams, delegating them sufficient authority (including budgets) to be able to achieve their objectives. They will ask for regular reports from these Teams to ensure that the Teams are achieving their objectives (and not straying outside their delegated authority).
* Reporting to the Members. The Management Team will set up an Annual Members Meeting (and Special Members meetings as required) set the agenda for these meetings, manage the meetings, and ensure actions agreed at the meetings are implemented and reported on.
* Managing the businesses risk and opportunities including establishing and managing operational, financial, & regulatory control. The Management Team has ultimately responsibility for managing the business, they will;
	+ Create, own, and manage the business Risk and Opportunity Register
	+ Establish and communicate the businesses objectives/targets/budgets based on the agreed strategy and the Business Risk/Opportunity register
	+ Establish and communicate operational policies and procedures
	+ Establish and communicate financial & regulatory controls
	+ Ensures policies/procedures and controls are adhered to

Membership of the Management Team will be voted on by the Members and will include:

* A Chair to lead
* A Finance lead – responsible for the businesses financial process and all financial reporting
* A Legal lead – responsible for all legal and regulatory compliance including Health & Safety procedures
* A Community lead – responsible for ensuring that wider community understands what is happening in the Chapel and that the community has an opportunity for comment and input
* A Members lead – responsible for ensuring that Members understand what is happening in the Chapel and that they have an opportunity for comment and input.
* And one or two others with skills useful managing the strategic direction of the business at any point in time (for example during the main redevelopment phase it would be expected to have the lead architect/builder on the Team)

The whole Team will work closely together but in particular the Members and Community leads are likely to work jointly.

*Café/Shop Team –* this body will manage the day-to-day operation of the café and shop. They will:

* Work with the Management Team to establish operational policies and controls and then have day to day responsibility for ensuring that they are followed.
* Understand the delegated authority given to them by the Management Team and ensure that they stay within these limits.
* We plan to have paid staff to manage the café/shop. These managers will lead the Café/Shop Team, with the remainder of the Team being made up from café/shop volunteers, community members with relevant skills and a representative from the Management Team.

*Building Team –* this body will manage the development and maintenance of the building. They will be responsible for;

* the day to day management of any building/development projects within agreed budgets
* determining and implementing a schedule of maintenance work on the building within budget
* active involvement in the building and refurbishment work
* Budgets for maintenance and development work will be created by the Building Team and will be approved by the Management Team.

We will have an appropriately experienced/qualified person to lead the Building Team, with the rest of the Team being community volunteers. It is expected that the Legal Lead from the Management Team will also sit on the Buildings Team to help oversee Health and Safety aspects.

*Heritage Team –* this Team will run a local history project entitled Cotherstone - A Village Through Time. Working with residents of the parish the team will gather and link information from many sources including house deeds, censuses, maps and a wealth of old photographs to build a picture of how the village has changed through time. This fascinating project will have two major objectives as far as The Chapel project is concerned.

* the project will draw in just about everyone in the village and surrounding community. Everybody can contribute to the project and most people want to know about the history of their house, what their street looked like a hundred years ago and what folk did for a living. Therefore this highly inclusive project will be used to involve villagers giving them an easy way to join in with the Old Chapel Project, as well as creating a sense of local pride.
* As the project gathers information and objects the team will summarise what they have found, creating a vivid picture of how the village has evolved and developed over time: not just the physical nature of the village seen through its built environment, but how the people have changed over time. In a relatively small community such as Cotherstone and its out-lying hamlets inevitably family names recur so the project will be, in part, a family history too. The information gained will be presented back to the villagers, and visitors, in the form of a growing number of various visual elements that will be used to decorate the café and shop and to help create a sense of place. For example;
	+ a series of village maps, spaced in 50-year intervals, showing when, where and how the village has grown. The maps could be coupled with photographs of what the village looked like at the time.
	+ pictures of various vernacular building styles and details, both exterior and interior, coupled with a written record that will act as an architectural resource, which could be consulted to help in the conservation and appropriate repair and restoration of village buildings.
	+ exhibits of local objects and artefacts which no doubt will be unearthed or found languishing in local homes, sheds, attics, farms or business premises.
	+ graphs showing how villagers have changed over time, such as the nature of their work and how far they travelled for work; the way households have changed (numbers, ages, sex of family members); where the residents were born (how local they were) how old they were and how many children they had, what facilities and businesses there were in the village.

These visual elements will be displayed in as many imaginative ways as the team can think of; not just the usual displays in cabinets dotted around the café/shop, or pictures hung on the walls; but the information can be printed on tablecloths, put on the back of menus or be converted into furniture, fixtures or fittings. Larger items, such as historical farm machinery, may be displayed in the large space outside the building. The overall impact will be to integrate the heritage theme into the fabric of the café/shop.

* +

*Development Team –* this body will be responsible for managing the additional initiatives, over and above the core café/shop activities. The Team will act as the first point of contact for new ideas and initiatives which it will proactively seek from the community. The Team will then be responsible for creating a costed proposal to put before the Management Team for approval.

The Development Team will manage the implementation of all approved new proposals.

It may be that new separate management teams are created (reporting into the Management Team) to manage the specific day-to-day operations of newly implemented initiatives (if the Development Team cannot manage this). The aims, constitution and scope of these teams will be determined as the need for the new Team was established; but generally, they will act like the Café/Shop Team reporting into the Management Team.

# The Chapel Building

The Methodist Church has confirmed to us that, in principle (subject to agreeing a lease document that suits both parties), they would be happy to lease the Chapel to our community venture on a long term basis.

Currently we are negotiating a 25+ year lease whereby the Methodist Church look after the structure of the building (walls and roof) and the community group is responsible for the refurbishment and upkeep of the inside of the building. We would pay an annual rental which the local Methodist circuit would subsidise, so that the net rental payable would be in the region of £1,200 a year.

We have had access to the building and have completed a very preliminary inspection of the building’s fabric. From this we have created a very high level plan for implementing the first phase of The Old Chapel Project, to create a café and shop. We have not had formal quotes but believe and estimate for the work to get a cafe and shop up and running is about £200k this figure being broken down to;

* Building fabric changes to create a designated space for a shop and a medium sized café. This area would be enclosed by a partition and ceiling, making heating more efficient, and allowing for the development of future initiatives in the rest of the building to be completed with minimal impact on the operation of the café and shop. £50k
* Shop Fittings and fixtures £10k
* Café fittings and fixtures including creation of a new kitchen £50k
* Purchase and installation of a new heating system £25k
* Refurbishment of the Chapel toilets £5k
* Initial stock £20k
* Emergency fund £40k

# The Shop

Our initial plans for the shop will be to create a shop which replicates what the recently closed village shop offered;

* a range of basic foodstuffs (cans, packets and fresh meat, dairy and vegetables)
* a range of basic but essential household products (cleaning products, toilet rolls, firelighter etc.)
* local produce e.g. cheese, beer, fruit and veg, cakes, crafts etc.
* snack foods (sandwiches, pies, sausage rolls etc.)
* Drinks (fruit juices, soft drinks and alcoholic drinks)
* Newspapers and magazines
* Cards and stationery

We have estimated the costs and revenues we could generate in the shop (see Finance Forecast). The key drivers for these estimates are;

* The turnover for the community shop will be similar to the footfall achieved by the previous Cotherstone shop.
* We have been given access to the turnover and surplus generated by the shop over many years and have closely followed these figures.
* The shop is welcoming for both local residents and visitors to the village; offering products that are essential for some, and convenient for most.
* We regain the delivery of local papers to Cotherstone residents (a service historically provided by the Cotherstone shop) thereby making profit but also increasing shop footfall.

The closest shops to the Cotherstone Community Shop which offer the same service are in Middleton (6 miles) and Barnard Castle (4 miles). The Middleton shops offer a similar range of products at the same price but the large Barnard Castle supermarkets offer a larger range of products at a cheaper price. Our community shop will sell based on;

* Convenience – it is closer for last minute purchases. Convenience increases if consumers are already in the Chapel either because: they are visiting the shop (to pay the paper bill, collect last minute buys etc.) or visiting the Chapel for another reason (visiting the café, visiting the Post Office, visiting the hairdresser)
* Supporting the Community Benefit Society – if the local community are shareholders and/or actively participating in the management of the Project or participating in the other amenities supplied at the Chapel, they are more inclined to buy something in the shop to support the overall Chapel project.
* Offering products for visitors to Cotherstone. Such products could be refreshments for walkers/cyclists, souvenirs for tourists, essentials for caravanners. We need to determine who visits Cotherstone and what they would buy in a shop.

# The Café

Cafés are becoming more popular as places for locals to meet and chat, as well as being places for tourists/visitors to eat lunch or have a cup of tea. By putting tables in the Chapel and re-using the church pews and by putting outdoor tables in the garden (for warmer days) we can create a café people want to visit. By staffing the cafe with welcoming and, responsive staff (a mixture of paid and volunteer staff) we would create a friendly welcoming café that provides;

* Tea, real coffee, and other hot drinks
* Late breakfasts (muesli, bacon rolls)
* Homemade cakes, biscuits and scones
* Cold snacks (sandwiches, rolls, crisps, salads, soft drinks good ice cream)
* Soup, toasted sandwiches, hot sausage rolls, savoury scones
* And later introducing homemade dishes e.g. tarts, pies casseroles as business grows

We have estimated the costs and revenues we could generate in the café (see Finance Forecast), in particular we have;

* Consulted a number of local café owners who have experience of running cafés in neighbouring towns and villages.
* Been given access to the some of the key information concerning turnover and footfall of the last café to operate in the village.
* A pub in the village operates a successful food business and there is substantial demand in the Easter to Autumn period.
* Estimated footfall and average spend on the basis of this information.
	+ We believe that it should be possible to get 20-30 covers a day in the winter and 40-50 in the summer.
	+ We have estimated the average spend as £10.00

The closest cafés to the Chapel offering the same service are in Eggleston (3.5 miles), Middleton (6 miles) and Barnard Castle (4 miles). Cafés are generally used for their convenience (the nearest when people want to eat/drink), although if a cafe becomes established/well known, with a good reputation, people will travel to visit it (or plan their day trip to stop at it). The Chapel café will achieve a good reputation based on

* Overall environment – with sympathetic restoration utilizing the interesting historic architecture, the Chapel gardens and playing on the Chapel theme (pews, and themed menu etc.), the Chapel can become a comfortable café space with lots of ambience.
* Getting the right staff and encouraging a friendly, responsive approach to customers. We will use a mix of paid and volunteer staff to service the cafe (covering food preparation and service). We will choose and train only staff who are welcoming and responsive. This will ensure customers want to visit the chapel café again.
* We believe that by using local volunteers in the café we can provide a service for the village, create a great atmosphere in the cafe, as well as keeping running costs low. For example:
* If we can get three retired friends to agree to a half day shift at the cafe every week then they can catch up on what’s happening in their week, drink free tea themselves whilst they catch up, serving customers as they go.
* Having the right menu. The café will concentrate on light refreshments. We will create an attractive menu that serves easy to prepare food, so as minimize the need for training, complicated kitchen equipment and long preparation times. We will try to use volunteers to supply some of the foodstuffs (cakes and bakes for example).
* Convenience – it will be the only café in Cotherstone. Convenience increases if consumers are already in the Chapel either because: they are visiting the shop (to pay the paper bill, collect last minute buys, etc.) or visiting the Chapel for another reason (visiting the Post Office, visiting the hairdresser).
* Supporting the Community Benefit Society – if the local community are shareholders and/or actively participating in the management of the Project or participating in the other amenities supplied at the Chapel they are more inclined to stop in the café to support the overall Chapel project.
* Offering products for visitors to Cotherstone. Such products could be refreshments for walkers/cyclists; souvenirs for tourists; essentials for caravanners. We need to determine who visits Cotherstone and what they would buy in a shop.

# Staffing

We will staff the café and shop with a mixture of paid and volunteer staff. Staff will work across both the shop and the cafe so that their time is used most efficiently and effectively. There will be a salaried Manager on site who will be in overall charge of the café and shop ensuring that;

* The café and shop is managed effectively
* Health and safety procedures are followed
* Café/shop property is protected from theft

To ensure that the project is effectively managed we will probably need 2 or 3 part time managers working shifts. The managers will be supported by volunteers and a small amount of paid work (or busy periods or for jobs not suitable for volunteer staff). We believe that we will need a group of about 15- 25 volunteers who are prepared to work in shifts of a few hours a week.

# Financial forecast

We have created an initial financial plan based on a number of key assumptions;

* Shop Gross Profit- we will be able to match the turnover and gross profit margins achieved by the local Cotherstone shop that was recently closed (turnover and margins do not include the post office takings.)
* Café - we can create demand for an average of 30 people a day to visit the cafe, 6 days a week, 50 weeks a year. Each person will spend £10 a visit.
* We can pay 1 or 2 managers to run the café/shop (and the volunteers) and pay in total £55k a year (full employment costs)
* Other – we can develop a number of ideas to utilize the back room of the Chapel. These initiatives will generate £10,000 a year (£200 per week).
* We can out the shop/café/kitchen/toilets for £200k
* We can raise £75k in shares and £70k in matched funding/grants. The remaining £55k will be raised in donations, fundraising and loans.

Given these assumptions and the forecasting of other costs we have created a 10 year Income and Expenditure Forecast (see appendix B) and a 10 year Cashflow Forecast (see appendix C). Key highlights;

* We scale up to full capacity over 3 years
* We make a trading surplus (before finance costs) in the second year, and about £15k from year 3.
* We make a surplus after Finance costs in year 3
* We generate a cash surplus from year2
* We start to pay a small return to shareholder from year3

# Funding

We plan to operate as a **Community Benefit Society** and as such will issue shares in order to raise the capital required. We estimate that we should be able to raise something in the region of 75K. This is in line with advice offered by the Plunkett Foundation who believe this is realisable in a village of this size and with the potential interest from friends and relatives of the residents. The Parish Council survey looking at the shop demonstrated an interest in investing £40+K, which would be normal at that outline and non-specific stage of consultation. Most CBSs find that there is also an interest in investing more widely from amongst visitors, friends and ex residents.

We will be eligible for match funding from the Power to Change Fund and we are advised that we have a strong chance of success. They will manage local investment up to a maximum of 100K. We will also look to fundraise from a range of sources such as the Lottery Heritage Fund.

We have made provision for any shortfall by investigating taking out a loan and have built these into our financial projections. Obviously, we will look to keep this to an absolute minimum.

# Community Involvement and Consultation

We have undertaken a number of events including;

* A questionnaire circulated by the Parish council to all households.
* An initial Community Consultation Meeting about the demise of the Post Office/shop which resulted in the establishment of a Steering Group. This was to explore the opportunities and options available for the village. The meeting was well attended by 90-100 people. This expressed a strong desire to retain a community shop in the village.
* Regular Steering Group meetings that thoroughly explored options and possibilities. They worked with Plunkett attending training events, visiting other projects and meeting people with direct experience.
* A Community Participation event including a presentation and workshops. This was attended by about 50 people. People demonstrated a strong interest in being involved in a wide range of community activities. We hold a list of people matched to their skills and interests. This gives us some certainty about the support the project might get. People were excited by the potential offered by the Chapel for developing a really interesting resource for the village. Some people were interested in retaining the existing shop as was, but the then Steering Group were convinced that it was not a viable financial option.
* A final survey was sent out by the Parish Council that produced some more very interesting information, including the willingness of residents to invest in a future project.
* We have also used social media to keep people up to date with developments.

#  Risk analysis

The main risks faced are;

1. We don’t get up and running
	1. We are unable to raise sufficient initial capital (through shares, grants and loans)
	2. We are unable to get enough commitment from the community to fully and properly man the various groups
	3. The community do not support the project (so we can never achieve our vision)
2. We get up and running but the business proves unprofitable
	1. We are unable to get enough commitment from the community to fully and properly man the various groups and/or get adequate voluntary staff
	2. We can’t find suitable salaried coordinator/managers to run the café/shop.
	3. The shop fails to meet targets
	4. The cafe fails to meet targets
3. We create a self-sustaining business but still fail to provide a real benefit to the local community
	1. The problems caused by running a successful business outweigh the benefits to the community

We hope to mitigate the above risks by:

* continuous community involvement and consultation
* effective management of the project
* effective research for business planning
* gaining ongoing advice and support from the Plunkett Foundation

Worst case scenario;

* Before the Chapel is refurbished – all monies would be returned (costs incurred would be minimal)
* After The Chapel is refurbished – we would sell any assets purchased, give up the lease, and return the proceeds to lenders/shareholders. In this event shareholders may not get all their investment back.

# Timescales

We aim to try to get a café/shop up and running as soon as is practicable. That said we want to ensure that we only move forward at a pace that ensures success. The key milestones (with an indicative timescale) are as follow;

* Establish unincorporated association
	+ Set up bank account
	+ Agree initial management committee members
* Finalize Business Plan (including Financial Plan); including;
	+ quotes for key costs
	+ assumptions for income streams
	+ model rules
* Establish Community Benefits Society
	+ Agree initial Building Team members
	+ Agree initial Cafe/Shop Team members
	+ Agree initial Development Team members
* Raise Funds;
	+ Plan and implement actions to secure funds from ;
		- Members Capital
		- Loans
		- Grants
* Buy Chapel
* Refurbish/redevelop Chapel
	+ Plan and implement building projects to create café/shop.
	+ Plan and complete work on making the building ‘sound’
	+ Install heating
* Hire staff and sign up volunteers to work in café/shop
* Agree responsibilities, controls and reporting processes
* Stock café/shop
* Start trading

# Appendix A *- Plunket Model Rules updated for our specific decisions.*

TO INSERT

# Appendix B – 10 year Income and Expenditure Forecast

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Year** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** |
|  |   | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| **Income** |  |  |  |  |  |  |  |  |  |  |   |
|  | **Shop** |  62,500  |  93,750  |  125,000  |  125,000  |  125,000  |  125,000  |  125,000  |  125,000  |  125,000  |  125,000  |
|  | **Café** |  45,000  |  67,500  |  90,000  |  90,000  |  90,000  |  90,000  |  90,000  |  90,000  |  90,000  |  90,000  |
|  | **Other** |  5,000  |  7,500  |  10,000  |  10,000  |  10,000  |  10,000  |  10,000  |  10,000  |  10,000  |  10,000  |
|  | ***Total*** |  112,500  |  168,750  |  225,000  |  225,000  |  225,000  |  225,000  |  225,000  |  225,000  |  225,000  |  225,000  |
|  |  |  |  |  |  |  |  |  |  |  |   |
| **Gross profit before wages** |  |  |  |  |  |  |  |  |  |  |   |
|  | **Shop** |  11,250  |  16,875  |  22,500  |  22,500  |  22,500  |  22,500  |  22,500  |  22,500  |  22,500  |  22,500  |
|  | **Café** |  27,000  |  40,500  |  54,000  |  54,000  |  54,000  |  54,000  |  54,000  |  54,000  |  54,000  |  54,000  |
|  | **Other** |  5,000  |  7,500  |  10,000  |  10,000  |  10,000  |  10,000  |  10,000  |  10,000  |  10,000  |  10,000  |
|  | ***Total*** |  **43,250**  |  **64,875**  |  **86,500**  |  **86,500**  |  **86,500**  |  **86,500**  |  **86,500**  |  **86,500**  |  **86,500**  |  **86,500**  |
|  |  |  |  |  |  |  |  |  |  |  |   |
| **Overheads** |  |  |  |  |  |  |  |  |  |  |   |
|  | **Wages** |  55,000  |  55,000  |  55,000  |  55,000  |  55,000  |  55,000  |  55,000  |  55,000  |  55,000  |  55,000  |
|  | **Others** |  12,300  |  12,300  |  12,300  |  12,300  |  12,300  |  12,300  |  12,300  |  12,300  |  12,300  |  12,300  |
|  | ***Total*** |  **67,300**  |  **67,300**  |  **67,300**  |  **67,300**  |  **67,300**  |  **67,300**  |  **67,300**  |  **67,300**  |  **67,300**  |  **67,300**  |
|  |  |  |  |  |  |  |  |  |  |  |   |
|  |  |  |  |  |  |  |  |  |  |  |   |
| ***Trading Surplus before Finance Costs*** |  |  **(24,050)** |  **(2,425)** |  **19,200**  |  **19,200**  |  **19,200**  |  **19,200**  |  **19,200**  |  **19,200**  |  **19,200**  |  **19,200**  |
|  |  |  |  |  |  |  |  |  |  |  |   |
| **Finance costs** |  |  |  |  |  |  |  |  |  |  |   |
|  | Loan Interest |  3,250  |  3,218  |  3,183  |  3,148  |  3,110  |  3,070  |  3,029  |  2,985  |  2,940  |  2,892  |
|  | Depreciation |  5,200  |  5,200  |  5,200  |  5,200  |  5,200  |  5,200  |  5,200  |  5,200  |  5,200  |  5,200  |
|  | ***Total*** |  8,450  |  8,418  |  8,383  |  8,348  |  8,310  |  8,270  |  8,229  |  8,185  |  8,140  |  8,092  |
|  |  |  |  |  |  |  |  |  |  |  |   |
| ***Surplus after Finance Costs & Depreciation*** |  |  **(32,500)** |  **(10,843)** |  **10,817**  |  **10,852**  |  **10,890**  |  **10,930**  |  **10,971**  |  **11,015**  |  **11,060**  |  **11,108**  |

# Appendix C – 10 Year Cash Flow Forecast

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   | **Year** | **0** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** |
|   |   |   | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
|   |   |   |  |  |  |  |  |  |  |  |  |   |
| **Trading Cashflow** |   | (24,050) | (2,425) | 19,200  | 19,200  | 19,200  | 19,200  | 19,200  | 19,200  | 19,200  | 19,200  |
|   |   |   |  |  |  |  |  |  |  |  |  |   |
| **Capital Cashflow** |   |  |  |  |  |  |  |  |  |  |   |
|   | Purchase building and fit out | (160,000) |  |  |  |  |  |  |  |  |  |   |
|   | Raise Capital | 210,000  |  |  |  |  |  |  |  |  |  |   |
|   | Loan repayments |   | (3,900) | (3,900) | (3,900) | (3,900) | (3,900) | (3,900) | (3,900) | (3,900) | (3,900) | (3,900) |
|   | Shareholder returns |   | 0  | 0  | 0  | (2,250) | (2,250) | (2,250) | (2,250) | (2,250) | (2,250) | (2,250) |
|   | **Total capital cash outflows** | 50,000  | (3,900) | (3,900) | (3,900) | (6,150) | (6,150) | (6,150) | (6,150) | (6,150) | (6,150) | (6,150) |
|   |   |   |  |  |  |  |  |  |  |  |  |   |
|   | **Total cash inflow** | 50,000  | (27,950) | (6,325) | 15,300  | 13,050  | 13,050  | 13,050  | 13,050  | 13,050  | 13,050  | 13,050  |
|   | **Cumulative cash** | 50,000  | 22,050  | 15,725  | 31,025  | 44,075  | 57,125  | 70,175  | 83,225  | 96,275  | 109,325  | 122,375  |