

# **CASCT Business Plan Workshop Report**

## **18 March 2006**

### **Introduction**

Steve Rainey began proceedings by welcoming everyone to the workshop (see Attendee List, Attachment 1). He thanked them for giving up free time on a Saturday to participate in it, especially those who were not from Collieston. He then provided some context for the workshop.

### **Context**

Back in November 2003, Collieston hosted a workshop, which was the culmination of research undertaken with a grant from the Scottish Executive's Rural Voices Action Research Competition. The workshop established the essential needs of a revamped or new community centre. These were:

- To provide a communal space for 150-200 people
- To be sustainable
- To be flexible and multi-functional

In April 2004, we held a public meeting to explain the pros and cons of doing nothing, refurbishing and extending the existing hall, or demolishing and rebuilding. A ballot in which 60% voted to demolish and rebuild followed the meeting.

Then in 2005, we heard via Aberdeenshire Council that Slains Estate might be prepared to offer an alternative Greenfield site for the new centre. Despite best efforts, we were unable to substantiate this offer. Finally, in October 2005, we held a second public meeting at which CASCT recommended that we proceed with the original plan to use the existing site. This recommendation was approved unanimously.

CASCT was incorporated as a company limited by guarantee on 14 February 2005. Its objectives were stated as follows:

- To manage the process of building a new community centre
- To establish an umbrella structure to manage a social enterprise
- To keep the heart in our community

Steve then went on to say that currently:

- We were poised to launch the Architectural Competition to select the design for the new centre
- A recommendation to transfer ownership of the hall to CASCT at nil cost was being presented to the Formartine Area Committee on Tuesday 21 March
- Dialogue had started with the new manager of Slains Estate, and it was hoped that a proposal for acquiring additional land around the existing site would be presented to the Board of Directors in London at the May meeting
- CASCT was in the process of identifying and prioritising major funders

This brings us to the purpose of the workshop. We need help to build a robust business plan that will stand up to intense professional scrutiny from funders. The information pack contains a projected annual cash flow (Attachment 2). It has various cost and revenue elements, which all need challenged – the figures need substantiated by hard evidence, validated by potential users, and tempered by the experiences of those who have been down this road before.

Given what has been said, it is obvious that we are on a journey. After today, we will have taken one more small incremental step. We will not have answered all the questions nor resolved all the issues. These are unrealistic expectations. They are not necessary either.

The one thing we will not do is to rake over old ground; our focus will be to the future. So what does today look like and what process will we follow.

(See Agenda – Attachment 3)

For the first breakout session, everyone will be assigned to one of four work groups. These will be held in different homes around the village. The first breakout session will be followed by lunch in the hall. For the second breakout session, individuals will be given a choice about which of the three other work groups they would like to attend. Each of the work groups will be facilitated. During the second breakout session, each work group will build on the results of the first. Once everyone reconvenes in the hall, the facilitators will then feed back the results of the two sessions in brief 10-minute presentations. Please keep any questions until after all four presentations.

After having talked through the Agenda and the process that we would follow for the day, Steve then introduced Sarah Menzies and Glen Fendley of CADISPA. Sarah said a few words about CADISPA (Conservation and Development in Sparsely Populated Areas). It is part of the Community Education Division at Strathclyde University. It was set up to enable local people to progress development options for and with support of local communities around Scotland. It is involved with some 40 projects. Sarah then handed over to Glen, who explained that he was a professional fundraiser who had been involved with large capital projects for the last 13 years. He then went on to describe those factors in a business plan that are critical for success from a funder's perspective.

# The Ideal Business Plan from a Funder's Perspective

Glen Fendley

## The 5 Pillars for a Good Business Plan

### Case for Support

- Vision (needs to be transformation; think before/after building)
- Show that people really care that the project takes place; if we can't prove this, best to scrap it
- Credibility – comes from third parties talking about our project. Need strong community involvement/support. Have all problems been outlined in the business plan and have all alternatives been considered
- Urgency - very important to demonstrate why funders should put hand in pocket now
- Demonstrate the need – how will the community benefit

### Financial Needs

- Must be realistic
- Realism will result from consulting with recognized experts; document outcomes
- Business plan is a 'live' document that will evolve through time
- Important to be clear about what is **essential** as well as what is **desirable** – be prepared to answer the question "I know you've asked for £100k, but how would you spend an extra £50k?"

### Project Champions

- Critically important to have project champions
- List supporters/advocates in business plan
- Endorsements give credibility
- Need all key people in this list (e.g. politicians)

### Internal Readiness

- Be transparent about how project is progressing
- Be inclusive and representative of everyone
- Document community involvement and support
- Publish roles and responsibilities and CVs of CASCT Committee members and Directors.
- Document any instances where external experts provide support/help, especially if provided gratis

### Fund Raising Strategy

- Need to document how the project is to be funded – identify sources of funding
- Got to have a target in mind
- Cultivate funders and tailor business plan accordingly
- Ensure funders get recognition – identify what's in it for them

## **Accommodation Group Feedback**

Group Facilitator – Lesley Stewart

### **Possible Hall Users**

- **Health**
  - Visiting health clinics (e.g. chiropody)
- **Private Sector**
  - One off e.g. birthday parties; weddings; corporate away days
- **Local Authority and Voluntary Sector**
  - Play Group
  - After School Group
  - Day uses by special needs groups
  - School trips
  - Day trips for other groups e.g. older people

### **Letting Flats**

Assume 2 two-bedroomed flats – each sleeping 6

- **Private Sector**
  - Offshore Europe
  - Private lets especially during high season
  - Those who make use of the environment/ area
  - Walkers/ golfers/ fishers/ shooters/ nature observers/ artists
- **Local Authority and Voluntary Sector**
  - Day care
  - Special needs groups
  - Possibly small school group
  - Accommodation for respite; N.B. not respite care

### **Opportunities**

- Accessibility to Aberdeen
- Beach, nature reserve, birds, fishing, walking, golf, photography
- Proximity to Ellon for wider services e.g. swimming and sports
- Ability to marry all the above to commercial uses of hall
- Opportunity for 2 rates to be charged: commercial and internal
  - Easy access and close proximity to 2 local authorities, and Moray isn't that far
  - Attractiveness to local authorities for opportunities for social inclusion

- Summer rents can be higher but if block bookings from Social Work are possible this may even out difficulties between high and low seasons
- Relevant skills and experience in this area e.g. links to Local Authority

**Points to consider**

- Need for caretaker to welcome users to hall and flats
- Need to ensure that cash generation does not clash with village's need to make use of hall
- If flats are to be an attractive proposition, need to consider 'welcoming' aspect – neither too dark, nor too noisy and no intrusions into privacy. There is a possibility of conflict between needs of hall and flat users
- Maintenance costs require careful research
- Recognise that income from rentals may be less in first years until market builds
- Could be difficult to find users/tenants during low season
- Marketing will be key to building a customer base
- Flats should be at ground level to maximize chance of being used by Social Work

## **Power and Energy Generation Group Feedback**

Group Facilitator - John Hitchcock

Two workshops were held each supported by 6 community members with variable knowledge and experience on the subject, some with significant personal interest. It must be noted that all were encouragingly supportive of the outcome and motivated by the potential domestic use of renewables within the community. Significant input was gratefully received from Kevin Christie of SCHRI (Scottish Community and Household Renewables Initiative) at a separate presentation given to the community, organised by CASCT.

### **Power and Energy Generation to Support Hall**

- Architect to design for zero net energy cost (excluding cooking gas)
- Capital costs will be low relative to overall project and may be covered by Scottish Executive 'renewable energy' grants if political support continues
- Non Scottish Executive grants also available
- This is viable, but we need to find facts and educate community

### **Power and Energy Generation to create income**

- Major project requiring at least £50-80k spend and taking 2 years to achieve planning permission
- Total spend ~£500-1000k, income £40K + per annum
- Could be viable, but many issues to be addressed
- Conclusion - not realistic to run in parallel with hall project as is - park for now!

### **Power and Energy Generation – Follow-up Actions**

- Review Architect's Brief to ensure clear definition of zero net energy cost requirement is included
- Understand cooking fuel requirements
- Monitor funding sources and develop relationships with key advocates within funders
- Collect costs for similar projects using:
  - Conventional energy
  - Renewable energy systems
- Investigate requirements of renewable energy systems
- Investigate energy available from local resources

### **Typical Renewable Energy Systems**

The following sources were considered as potentially suitable for supporting the heating, 'domestic' hot water and lighting needs of the hall:

- **Ground source heat pump** – extracts heat from the ground (or water/sea) in the same way a fridge works

- **Air source heat pump** – new in market; extracts heat from the air as a fridge works
- **Solar thermal** – heating panels on roof to heat ‘domestic water’ and potential heating system
- **Small scale wind turbines** – 2m to 3m blade unit attached to building, although many options developing
- **Small scale hydro** – ‘trickle feed’ burn produces continuous electrical generation

### **SWOT Analysis of ‘Renewably Powered Hall’**

(Strengths, Weaknesses, Opportunities and Threats)

#### **Strengths:**

- Minimise running costs
- Attitudes of the converted!
- Scottish Executive capital funding
- Scottish Executive technical funding
- Environmental marketing benefit for fundraising
- Redundancy built in (i.e. conventional grid will also be available)

#### **Weaknesses:**

- Poor installation
- Lack of knowledge of systems requirements vs. local resources
- Cannot provide cooking gas

#### **Opportunities:**

- Incorporate in new building design
- Local examples/experience
- SCHRI support and direction with high success rate in applications for funding – need to develop SCHRI as key CASCT advocate
- Developing technology
- Obtain publicly available records on renewables
- Hall could be a demonstration piece/research site
- Increase advocates

#### **Threats:**

- Political support of grants
- Attitudes of community
- Timebound finances
- System breakdown (no worse than conventional?)
- Uncontrolled overuse of grid energy by user groups may distort costs

## Visitor Experience - Retail/PO, Tourism, Art Gallery, Catering Group Feedback

Group Facilitator – Shirley Beattie

### Post Office

Post Office is regarded as an **essential** service for the village and local community but recognized as being unlikely to generate substantial income.

Changes to the existing PO management may mean any future service being available on a more limited basis. Community ownership and management of a future service must be discussed with Abby and Isla. It was intimated that a negotiated handover period might be possible, including a temporary lease of the current premises.

Examples of good practice could be useful in moving this issue forward. One example offered was Kirkmichael in Perthshire, where the PO has moved to new premises and runs in conjunction with a specialist food shop selling local, quality food produce. It was pointed out that Kirkmichael is on a through road and not a comparable situation to Collieston. Nonetheless, one successful business had made other developments possible.

It was accepted that a PO alone would not be sustainable and that additional retail facilities would be essential to provide the potential for a viable business.

Issues regarding the future management of the PO facility need to be discussed with PO managers. A review of rural POs is planned for 2007 and any approach should be regarded as urgent. Tax implications may be an issue.

### Actions

- Make a joint approach with Abby and Isla to PO management to discuss the future of the PO **URGENT**
- Lobby local MPs, MSPs and local councillors to highlight the concerns and needs of the village
- Consider security implications, IT, storage and separate access requirements in the architectural design **URGENT**

## **Art Programme**

A gallery was considered **essential** as a visitor attraction and as a source of income. Space would not be a problem as the majority of art is envisaged to be wall hung. A foyer/café area would be ideal. Art should also encompass local crafts that may have specific requirements regarding display. Sales with a Collieston theme would spread the name of the village around the country and the world.

An **opportunity** to join with other NE Scotland studios was offered as part of the North-East Open Studios Programme. Formartine is conspicuous by its absence in this and a gallery in Collieston would really put us on the map.

Examples of good practice can be seen in Catterline and Pittenweem.

Must make full use of the website to promote gallery. Income generation from up to 33% commission on all sales.

We should consider having a range of items for sale as passing visitors are less likely to want to spend larger amounts.

It was felt essential to have someone knowledgeable available to discuss artwork.

Additional **opportunities** would be available linking evening events and private viewings with a catering service.

Management would require either a centre/arts manager or could be directed through an Arts sub-committee.

A performing space was discussed and agreed as desirable but in no way essential - a long-term consideration perhaps. The point was made that a performance area should be considered now as to install anything later could prove more costly.

Visiting art groups could be a further source of income.

## Catering

Two aspects of catering were considered.

- A training kitchen teaching cooking skills to various sectors of the community was considered expensive to set up. However, the main concern was the sustainability of such a venture. Funding is scarce. Also, a similar venture already exists in Ellon providing direct competition. An interesting idea that was not considered viable.
- A café, providing a daytime refreshment service, is considered **essential**. Concern was expressed that we have little idea of our market and therefore an assessment of potential customers should be undertaken. Local Enterprise/Economic Development could be helpful. We would like to think that the café service would provide a service to both local residents and visitors.

Management of such a facility was not considered as a position that could neatly sit within the role of Hall Co-ordinator. A Catering Manager would be required. Volunteer vs. paid staff - could the village sustain volunteers to staff a café? Customer care was considered an essential part of the service and an opportunity to provide a positive impression of Collieston.

Evening opening was discussed and felt to be a riskier option than a daytime facility. A suggestion was made to run limited (themed?) evening openings with an external caterer – an option to be considered.

Future development should consider residential cooking workshops and the possibility of linking with projects such as the Flycup that provides opportunities for vulnerable individuals to learn catering skills.

Advised to equip the kitchen for future growth.

The provision of a bar service was not discussed but was considered an essential service at events. A regular bar service was not discussed.

## Tourism

An information point within the centre was considered **essential** as a focal point for visitors. This should provide information on all tourist attractions, walks, facilities and parking.

Collieston Heritage should be featured as a visual/interactive exhibition. Local knowledge and previous information collected should allow this to be developed, providing a home for all those artefacts in various houses around the village.

Walks and trails were highlighted as a positive attribute. However, fears were expressed for the safety issues of some of these paths. A serious accident would attract unwelcome attention and publicity. Speak to Gordon Mackie regarding Nortrail.

An education centre should be considered as an **opportunity** for the future. Potential users should be investigated in Education, Social Work, and Leisure.

We must maximise the potential of our unique coastal location.

**Marketing is essential for all of the above activities. We should not overlook the importance of all our advocates.**

## **Summary**

**PO** – essential; negotiation on future management/handover; 2007 review urgent

**Arts Programme** – Gallery essential; performing space desirable; Arts Manager or Arts sub-committee required

**Catering** - training kitchen not a priority or considered viable; kitchen/café the desired option; plan for the future

**Tourism** – Information point essential; Education/Heritage focus essential

## CASCT & Hall, Functions & Seminars Group Feedback

Group Facilitator – Steve Rainey

The following picture illustrates how the umbrella CASCT organisation might relate to the day-to-day operational management of the new Centre.



It is based on a model that has been implemented successfully for the operation of Beaton Hall, Methlick.

### **Hall Coordinator Job Description**

- Employed by CASCT, not a volunteer. In the event of the Hall Coordinator not fulfilling his/her role adequately, CASCT would be able to intervene much more readily and effectively with an employee than with a local volunteer.
- Manage bookings for hall, meeting room, accommodation
- Promote use of all facilities
- Supervision of Caretaker
- Coordination of minor repairs and routine maintenance
- Supervision of Centre users
- Ensure compliance with HSE/Licensing laws
- Coordination of catering services for functions etc.
- Basic book keeping/invoicing
- Control of petty cash
- Coordination of volunteers (for illness/vacations)
- Reporting to Management Committee
- Part-time to full time depending on revenue generation
- Possible job share
- Salary – need facts (Tarves Hall – Lindsay Cook 01358 761719; Victoria Hall, Ellon)

### **Caretaker Job Description**

- Cleaning of Centre, including accommodation units
- Laundry for accommodation units
- Consumables
- Undertake minor repairs and maintenance (including grounds)
- Cover/deputise for Hall Coordinator
- Supervision of users
- Flexible hours necessary
- Job share with partner spouse

## **Seminars**

It is assumed that the Centre will have 1 large meeting room fitted out with a high standard of fixtures and furnishings and suitable for corporate use. High quality professional presentation and meeting room facilities will be available, including blackout.

- Corporate rate for external users; lower community rate for local users
- Requires access to good quality catering
- Target 2-3 corporate events per month
- Typical rates variable - £30-£45 per delegate or £250-£500 per day → £6000-£8000 per year
- Corporate users may be able to make donations

## **Functions**

- Weddings, funerals, parties etc.
- Target 1 event per month
- Typical rates £300-£500 per day (Beaton Hall £200 per day)
- Several menus from external caterers should be available for drop-in customers

## **Discussion/Feedback from CADISPA**

Glen Fendley comments

### **Case Support**

- Passion, commitment and energy – comes across really well; need to get this into business plan
- Analysis of competition – somewhat lacking at present, but sense you are aware of it; get after it!
- Third party evidence to support revenue and costs – just need to research and collate
- Essential versus desirable – need more work on this. Skilled architect can factor this in
- Don't reinvent the wheel, lots of networks to give you answers

### **Project Champions**

- Be as inclusive as possible – making some attempts at this, but need to expand list or find other external organisations to include
- Need to bring politicians on board with project – they will be conspicuous by their absence – political strategy
- Communication is key, internally and externally

### **Financial Needs**

- Gifts in kind – focus on this
- Engage funders in vision and highlight how they can benefit
- Costs - underestimating cost of marketing services
- Treasurer – important

### **Internal Readiness**

- Seems really strong and positive
- Continue goodwill and momentum
- Map out key milestones; remember, can phase things in/ramp up

### **Other factors**

- Heard some concerns voiced about impact of influx of Centre users – parking, environmental damage, so need to address. Impact of Tourism

Sarah Menzies comments

- Consider tapping into social inclusion
- Wastewatch
- It's not capital cost that is critical but sustainability that's important
- Check Federation of Village Halls' website for good information

## **What Next**

- Architectural Competition – incorporate output from workshop as necessary
- Feedback results of workshop at upcoming AGM and publish on website
- Publish Business Plan on website in due course
- Consider more participation on sub-committees/work groups
- Work on funding strategy
- Open communication channels with funders and advocates
- Capture ideas, knowledge, experience from other halls
- Need communication and marketing strategy both internal/external
- Transfer of ownership
- Acquisition of additional land from Slains Estate
- What skills do we need to progress
- Consider giving CADISPA seat on Board of Directors
- Non-executive directors may be worth considering
- Continue holding public meetings on achieving key milestones
- Develop information pack
- Item on agenda – FAQs, Concerns
- Involve politicians – MPs, Councillors
- Create list of about 10 questions to ask MPs
- Create positive spirit/mood

## Attachment 1 - Attendees

<u>Full Day</u>	<u>Part Day</u>
Lesley Stewart (Amenities)	Chris Stewart
Lyn Gray (Flycup Catering)	Paul Ritchie
Steve Ritchie	Ken Ingram
Trish Davidson (Amenities)	Viv Easton (Amenities)
Craig Leuchars	Mick Gordon (Beaton Hall Cttee)
Peter Robinson	Abby Stott
Alan White (CASCT)	John Easton
Sue Somner (CASCT)	
Fiona Chaplain (CASCT)	
Andrew Hill (CASCT)	
Steve Rainey (CASCT)	
Sally Sheehan (CASCT)	
Elizabeth Hay (CASCT)	
Trish Robinson (WRI)	
John Hitchcock (CASCT)	
Neil Ironside (Ab Council)	
Jack Page (CASCT)	
Mike Earlam	
Janice Saville (Playgroup)	
Vicky McNiff (CASCT)	
Elaine Adam (Playgroup)	
Shirley Beattie (CASCT)	
Mandy Nash (Angry Chef)	
Chris Steadames	
Heather Steadames	
Gilly McIntyre (Amenities)	
Sally Thomson (Arts Dev Officer, Ab Council)	
Peter Somner	
Rob Nash	
Julie Swan (Amenities)	
Sarah Menzies (CADISPA)	
Glen Fendley (CADISPA)	

## Attachment 2 - Projected Annual Cash Flow

<b>The New Collieston Hall Cash Flow Rationale Summary</b>			
<b>Income- Hall</b>	<b>Annual</b>	<b>Outgoings</b>	<b>Annual</b>
Playgroup	£3600	Heating/lighting	£1,000
WRI	£180	Wages	£10,320
Art Gallery	£6,000	National insurance	£832
Calendar	£3200	Insurance	£6,000
Flat lets	£20,205	Maintenance	£600
Sponsorship	£600	Licences	£2,400
Fundraising events	£3,500	Telephone	£550
Gala	£8,000	Rates	£4,800
Regatta/harbour splash	£250	Water Rates	£480
<b>Income- Subsidiary</b>		Village Amenities	£6,000
Bar	£1,200	Fees	£1,000
Seminars	£1,200	Playgroup	£3,240
Lunch club	£192	Calendar	£1,200
Pubnights	1,000	Sundries	£1,000
<b>Total Annual Income</b>	<b>£49,127</b>	<b>Total Annual Expenditure</b>	<b>£39,422</b>
		<b>Surplus</b>	<b>£9,705</b>

All figures are approximate

### Attachment 3 - Agenda

10.00-10.30	Introduction Context The Business Plan	Steve Rainey Steve Rainey Glen Fendley
10.30-12.00	Session 1 CASCT & Hall, Functions Power/Energy Visitor Experience Accommodation	The Glebe Kirkton Hall The Chaumer
12.00 – 1.00	Lunch	The Hall
1.00 – 2.30	Session 2 CASCT & Hall, Functions Power/Energy Visitor Experience Accommodation	The Glebe Kirkton Hall The Chaumer
2.40 – 3.20 10 mins 10 mins 10 mins 10 mins	Feedback CASCT & Hall, Functions Power/sEnergy Visitor Experience Accommodation	The Hall
3.20 – 4.20	Discussion/Next Steps	Glen Fendley Sarah Menzies
4.20 – 4.30	Wrap-up	Steve Rainey