

CASCT - Growing the Heart in the Community **Slains Community Enterprise Project**

Assumptions and Costs Overview

Scenario 1 Strategy - minimum impact on community / low cost support

Capital phase

Build costs

The costs for the build have been developed by Buro Happold for the designs with full planning consent for the new facilities. They include a contingency of 5%. CASCT have provided for inflation over this phase of 2% in the first year and 4% in year two, and also an additional 15% contingency on the build and design costs.

Professional fees

Professional fees in our CAPEX model are based on RIAS guidelines. Legal fees for the services required by the Big Lottery and for advice on contracts with funders have been agreed with our company secretary / solicitor. These are estimated to be £13,800 including VAT and this amount is shown in the CAPEX section of the financial plan.

VAT

VAT will be payable on professional fees and on the cost of refurbishing the existing buildings. As the Big Lottery insists that VAT must be paid up front and then reclaimed, an overdraft facility will need to be in place to cover this during the build phase.

Storage / Alternative Venue

As there maybe some overlap on activities we have allowed a figure of £12,000 for the cost of potential storage/alternative venue to accommodate the storage of equipment and also provide accommodation for some of the regular groups, such as play group during the transition.

Start up costs

This is to cover fittings – blinds, curtains, chairs, tables, kitchen utensils, café equipment, etc. We have also shown that we intend to pursue seek 'gifts in kind' for some items, such as meeting room equipment, office equipment and outdoor furniture.

Operating Phase

Accommodation Units for Rent

It has been assumed that in this scenario we would adopt a long term income strategy with nominal management and support costs. Therefore the most

appropriate 2 bedroom unit will be let at a discounted rate to a care agency. It is envisaged that the agency would provide both the care for any service users. It is entirely possible that a local authority would provide both the users and the carers (e.g. Aberdeenshire City Council) The other 2 bedroom unit would be let on a long term basis, with the remaining one bedroom unit being used for ad hoc letting, for such activities as Artist in residence, Bird watchers and holiday lets.

Playgroup

In this scenario, it is envisaged that play group would pay a flat nominal rental fee for the use of the exclusive facility of £50 per week. This has not yet been agreed with play group. It should be noted that CASCT would have to provide maintenance and repair of the fabric of the play group space and the proposed fee is seen as a reasonable charge for this unique facility. This approach would allow it to operate a business in its own right and preserve an ongoing employment opportunity.

Rental of facilities

The utilisation of the hall and meeting rooms has been based on a nominal use model, with the number of lets per year shown below (the start date for year 1 is July 2009):

Description	Type of rental	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Meeting room evening	Internal	0	0	40	48	48	48	48
Meeting room evening	External	0	0	4	12	12	12	12
Meeting room evening	Other	0	0	0	0	0	0	0
Meeting room day	Internal	0	0	0	0	0	0	0
Meeting room day	External	0	0	2	3	6	6	6
Meeting room day	Other	0	0	0	0	0	0	0
Hall evening	Internal	0	0	0	0	0	0	0
Hall evening	External	0	0	1	3	3	3	3
Hall evening	Other	0	0	0	0	0	0	0
Hall all day	Internal	0	0	1	1	0	5	4
Hall all day	External	0	0	2	3	8	10	12
Hall all day	Other	0	0	0	0	0	0	0

As can be seen this is a minimal use model with a maximum of 1 external function a month during the day and only 3 external evening functions a year in the hall.

Café

The café figures and use are based again on a conservative model of approximately 2,000 users per year with each spending about £5 per head. The number of users is based on a conservative 10% of the annual visitors to the Forvie National Nature Reserve (which is situated next door to the village of Collieston) or 40% of visitors to the Stevenson centre (which is within 400 metres of the new facility and has no café – see letter from SNH). The margin applied to this activity is 25% and within the cost model we have also allowed for the employment of a part time shop/cafe assistant.

Art and Gallery

We have a great opportunity to create an excellent Art Exhibition and Gallery space within the new facility which would provide a quality display and sales opportunity for local and as well Scottish artists and photographers. We have had limited exhibitions in the past and our fundraising model is based on historical figures which for the purposes of this scenario are kept low and do not make full use of the potential that could be achieved.

Staff and salaries

The staffing levels are matched against the predicted activities in the plan. In this minimal use scenario, staff costs are low. The part-time jobs will be advertised as per standard protocols and it is hoped that employees will come from within the local community. The rates of pay applied are in line with the current Aberdeenshire rates of pay for similar positions. During performances the costs relating to ad hoc staff have been built into the costs of the event so do not appear in the salaries section of the financial model.

VAT

As the operating turnover does not meet the trigger point for VAT registration, we do not envisage having to register for VAT.

Operating costs

The basic operating costs for insurance, maintenance, fire inspections, PAT testing, etc. are based on research from a range of similar halls. The cost of utilities is based on the Buro-Happold energy model for the new facilities and is in line with figures for similar halls. The running costs for the flats will be met by the occupants.

Professional fees

We have estimated £1500 per year for an accountant to carry out the annual review of the accounts. Preparation of interim financial reports will be carried out by the nominated director with support from the Treasurer.