



Growing the Heart in our Community

Slains Community Enterprise Project

Business Plan





Viewing a possible site on the Rivie for the new Community Centre

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We also invite you to visit our community's website:

www.colliestononline.org

APPENDIX

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SUPPORTING DOCUMENTS

- SD.1 – Location Map
- SD.2 – CASCT Memorandum and Articles of Association
- SD.3 – CVs for CASCT key project team members
- SD.4 – Scottish Executive RVARC Report
- SD.5 – Minutes, 1st Public Architectural Workshop, 12-5-07
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- SD.9 – Letter confirming Transfer of Ownership, Aberdeenshire Council
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- SD.11 – Full Planning Consent, Aberdeenshire Council
- SD.12 – Draft Structure Plan, Aberdeenshire Council
- SD.13 – PTA Letter to support 3rd classroom at Slains Primary
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1

EXECUTIVE SUMMARY



View from Brae Head to the Rivie and current hall

1.1 Our Community

Our community of approximately 500 people is situated some 20 miles to the north of Aberdeen in the parish of Slains, in the Formartine area of Aberdeenshire (see location map, [Supporting Documents SD.1](#)). We enjoy a vibrant community spirit, which sadly is becoming increasingly rare in small communities within commuting distance of big cities. We believe that our community spirit is under threat and worthy of preservation.

1.2 Aim

The overall aim of our project is to grow the heart in our community.

1.3 Vision

Our vision is to be a beacon of community spirit that others in NE Scotland will seek to emulate. We want to say “We’re glad we did” rather than “We wish we had”.

1.4 Values

We wish to live in a community that values:

- Being together
- Supporting itself
- Welcoming visitors
- Contributing to society

1.5 Needs

The project has arisen because of the need for:

- *Increased* sustainable community space
- *Improved* community care both locally and in North East Scotland
- *Improved and more inclusive* access to services
- Performing and visual arts space in the Formartine area
- Managing community resources in an environmentally and socially responsible way

The evidence for these needs and the options that have been examined for addressing them, are presented in the separate “[Options Appraisal – Needs](#)” document.

1.6 Outcomes

The outcomes that the project will deliver to address the above needs are:

- *Increased financial and social sustainability*
- *Improved quality of life* of both the local and wider community in North East Scotland
- *Increased skills, knowledge and confidence* within our community
- *Improved access to services* for vulnerable and isolated people within the community

1.7 Benefits

We estimate that these outcomes will benefit a minimum of *3000 people per year*, from:

- The local community (including play group, youth group, over-60s, SWRI, other user groups)
- The wider community (carers and the cared for, businesses, those interested in the Arts and in social and natural heritage)
- The project will provide local employment for 4 part-time staff. In addition, use of the facilities for events will generate ad hoc employment opportunities.

1.8 Scope

The scope of the project involves:

- Converting the existing community hall and adjacent school house to three lettable accommodation units, two of which will be suitable for respite care
- Building a new Community Centre on nearby land we have already purchased

- Establishing a sustainable social enterprise focused around the new centre by:
 - Providing new facilities
 - Forming and operating a trading subsidiary
 - Progressively providing opportunities for full-time, part-time and ad hoc employment and volunteering
 - Carefully managing growth
- Growing the heart of the community by:
 - Developing greater participation in community-based activities

An explanation of why our project involves both converting the existing hall and adjacent school house *and* building a new centre is given in the separate document “[Options Appraisal – Capital](#)”.

1.9 Cost

The **total cost** of the project will be **£2.232 million**, comprising £2.081 million capital and £0.151 million operating costs. We are requesting **£1.000 million** from the Big Lottery comprising 0.938 million capital and £0.062 million operating costs.

In progressing to this point, our project has already raised (and spent) nearly **£120,000** from community fund raising and enterprise, grants and donations.

1.10 Financial Summary

The project finances are summarised in Table 1 and illustrated in Figure 1.

Grant draw down starts in month 1 year 1

→

Funding period 55 months

→

Grant draw down finishes in month 54 year 5

Financial year starts April 2010	Year 1	Year 2	Year 3	Year 4	Year 5	Total for period
Total income for year	£315,955	£1,761,342	£107,783	£76,678	£78,068	£2,339,826
Total expenditure for year	£4,920	£25,546	£70,342	£70,462	£70,162	£241,430
Total Capex spend for year	£312,355	£1,737,582	£31,194	£0	£0	£2,081,132
Surplus	-£1,320	-£1,786	£6,247	£6,217	£7,906	£17,264 <small>see note 1</small>
Total Opex grants per year		£13,735	£26,838	£16,228	£5,618	£62,419
Real surplus	-£1,320	-£15,521	-£20,592	-£10,012	£2,288	-£45,155 <small>see note 2</small>
Maintenance accrual	-	2,167	£6,500	£6,500	£6,500	£21,667 <small>see note 3</small>
Operating accrual	-	1,667	£5,000	£5,000	£5,000	£16,667 <small>see note 4</small>
						£55,597 <small>see note 5</small>

Notes

- 1 This is the actual operating surplus based on receiving operating grants of 75% for first 12 operating months reducing to 50% for the next 12 operating months and finally to 25% in the final 12 operating months
- 2 This is the surplus minus the operating grants to show the real position if it was not for the grants
- 3 This accrual is already included in the expenditure so is an addition to the surplus and represents a contingency to fund any major repairs
- 4 This accrual is also included in the expenditure so is an addition to the surplus and represents a contingency to fund cash flow and adverse economic impacts
- 5 This shows actual cash at hand at the end of the fifth year in a reserve account

Table 1: Five year Financial Summary for Slains Community Enterprise Project

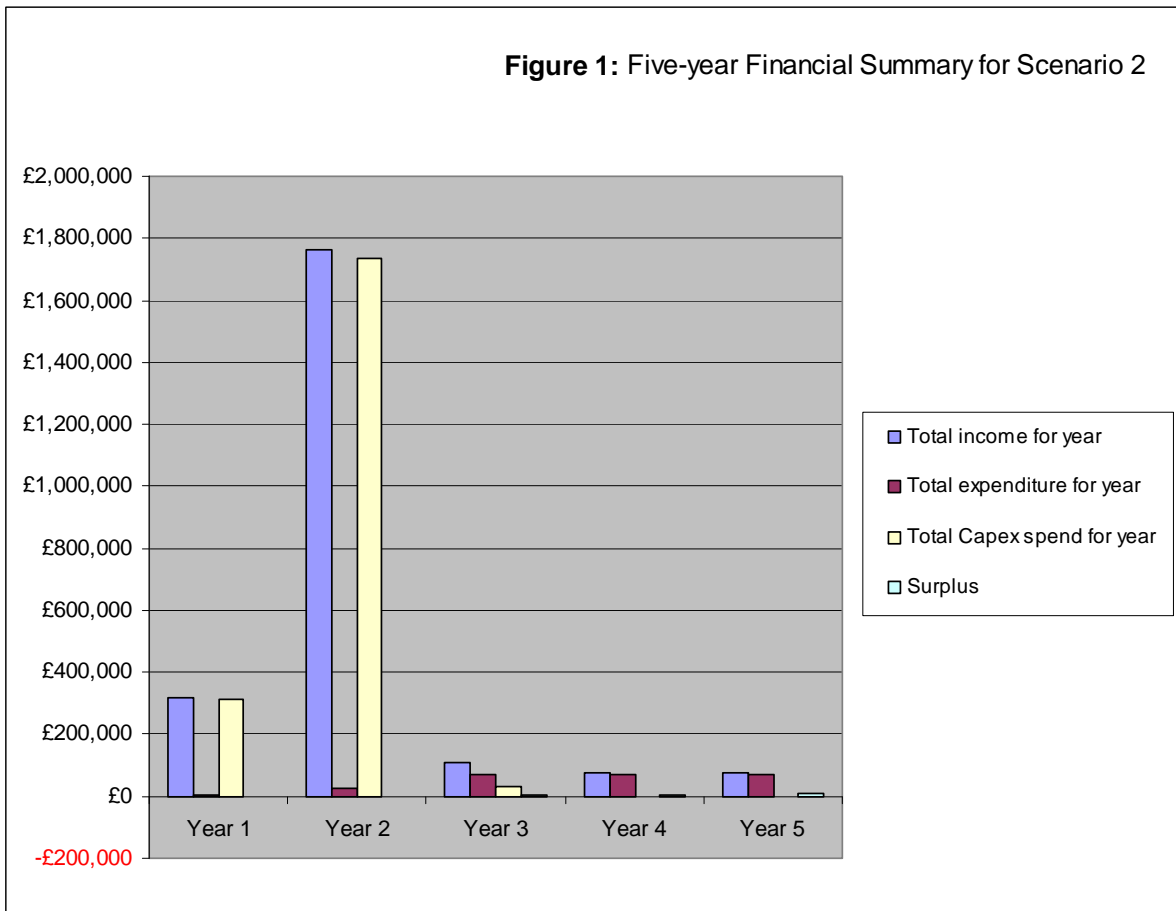


Figure 1: Five year Financial Summary for Slains Community Enterprise Project

1.11 Timetable

The project timetable is given in Figure 2.

1.12 Stakeholders

Our stakeholders currently include:

- The community of Collieston and Slains
- Slains and Collieston Community Council
- Collieston and Slains Play Group
- Slains Primary School
- Various local organisations
- Aberdeenshire Council
- The Formartine Partnership
- Scottish Natural Heritage
- Aberdeenshire Arts Partnership

And the wider communities of:

- Carers and the cared for
- Performing and visual arts organisations
- Tourists / visitors to Collieston

2

ORGANISATION SUMMARY

2.1 Background

Our project has its origins in the late 1990s. At the time, the Collieston Amenities Committee (CAC) organised social and maintenance activities on behalf of Collieston. Although not formally constituted as such, CAC was recognised as the equivalent of a community council by Aberdeenshire Council. Our hall, which is owned by Aberdeenshire Council, was threatened with closure due to lack of funding. CAC's response was to form a subcommittee, Collieston's Community Centre Challenge, otherwise known as the 4Cs, to save the hall. Over time, it was recognised that to be more effective, the 4Cs needed to become a company limited by guarantee and gain charitable status. Collieston and Slains Community Trust (CASCT) was incorporated as a company limited by guarantee (Company Number 279911) in February 2005 and became a recognised Scottish Charity (SC 037307) in February 2006. CASCT's Memorandum and Articles of Association are given in [Supporting Documents SD.2](#).

Today, there are two other formally constituted organisations within the community, namely:

- Slains and Collieston Community Council was formed in September 2008, replacing the more informal Collieston Amenities Committee that had functioned since 1957.
- The Harbour Trustees were formed by the Collieston Harbour Revision Order of 1991 to look after the pier for the benefit of the community. Current members comprise representatives of Aberdeenshire Council and the community, but historically, Slains Estate and the Church of Scotland were also involved.

2.2 Structure

Figure 2 illustrates CASCT's structure and its relationship to Slains and Collieston Community Council. As an autonomous entity, CASCT will work with the community council to ensure that the social enterprise delivers outcomes in harmony with the community.



Figure 3: CASCT structure in the context of the local Community Council

It is envisaged that the CASCT Board of Directors will include representatives from the community council and the Harbour Trustees, and will determine the overall strategy for the social enterprise. The CASCT Management Committee, which will include representatives of the main user groups, will focus on the management and tactics of the social enterprise. The Centre Co-ordinator and other staff will undertake the day-to-day tasks involved in operating the social enterprise.

Currently, CASCT's management team comprises a board of 4 directors who also serve on a management committee with 9 additional members. It is chaired by one of the directors, and it

works closely with our community to affect desired outcomes. Specific tasks are allotted to work groups, led by committee members. We liaise with our Community Council via 4 councillors who regularly attend our committee meetings as observers. A representative from Aberdeenshire Council also attends on a similar basis.

CASCT will form a trading subsidiary to manage income generation from the facilities once they are in place. CASCT will also manage and operate the facilities and will work with our Community Council to monitor performance and to allocate any surplus funds appropriately.



Chairman Steve Rainey explaining how CASCT might operate in the future, Business Plan Workshop, 18/03/2006

2.3 Professional Advisors

Sheila Ritchie, Senior Partner at Grant Smith Law Practice (Aberdeen), serves as our legal advisor and Company Secretary and Ritson Smith Chartered Accountants (Ellon) audit our accounts.

2.4 Operating Principles

We will develop the social enterprise according to the following guiding principles:

- Although our social enterprise must generate sufficient income to cover the operating costs of the community centre, it is not driven by the need to make a profit and will invest any surplus funds accumulated in the community.
- Positive ideas to generate income will be balanced against any negative social impact they may have on the community.
- Positive ideas to generate income will be judged against their potential to: increase community self-reliance, reduce reliance on public services and their ability to enrich the wider community.

2.5 Skills

CASCT is able to call upon a wealth of relevant skills and experience from within the community. These include project management, business and marketing skills. Curricula Vitae for key members of the project team are provided in [Supporting Documents SD.3](#).

3

PROJECT BACKGROUND

3.1 Project Development

As investigations began into preserving the hall, it became clear that the threat to the community was greater than simply losing the hall. It also became increasingly apparent that a more strategic vision for the future of our community would be required and that this vision had to be self-sustaining.

In recognition of this considerable challenge, CASCT was formed, with the aim of *growing the heart in our community*.

3.2 CASCT Objectives

CASCT's objectives are:

- To establish the foundations of a sustainable social enterprise that can fund the running costs of a new social hub and the requirements of local organisations and provide services, including respite services, to our wider community.
- To direct and manage the processes involved in building a new social hub, i.e. a 21st century hall that will still be fit for purpose in the 22nd century.
- By achieving the above, to grow the heart in our community and set a benchmark for similar enterprises.

3.3 Project Consultation History

During 2003, CASCT conducted research on hall projects from around Scotland, funded by an award of £6,123 from the Scottish Executive's Rural Voices: Action Research Competition. The research involved visiting 12 halls, a mixture of new builds and refurbishments, and interviewing hall

committees to ascertain what went well and what pitfalls to avoid. The results were collated in a report ([Supporting Documents SD.4](#)) and presented at a Rural Voices focus group weekend workshop held in November 2003. This was attended by members of the community and selected experts from the Scottish Executive, Conservation and Development in Sparsely Populated Areas (CADISPA), and from other hall committees and organisations. During the course of this workshop, the need for a new social hub in Slains parish was firmly established. The specific requirements of a new hub were documented, as were the pros and cons of new build and refurbishment options. Notably, at the time, the consensus was for a social space for up to 200 people.

In May 2004 a ballot of all house owners and residents (aged 16 and over) was held to select the way forward for the community. In this ballot, the community were asked to decide between doing nothing, extending and refurbishing the existing buildings, or demolishing the existing buildings and building a new centre on the same site. A significant majority voted to support a 'New Build' project (142 votes), as opposed to refurbishing and extending the existing buildings (95 votes) or doing nothing (11 votes). The high turnout of voters (248) was evidence of a strong mandate to progress the project.

The output from the focus group weekend and further consultation with potential user groups was used to develop an architectural brief as part of running a national architectural competition, launched in October 2006. Five architectural practices were selected from a list of sixteen to submit proposals for the design of the new community centre. A public exhibition of these submissions was held in December 2006. Each attendee was invited to complete a questionnaire and comment on the designs. This information was collated and provided to a judging panel of internationally renowned architects and local community representatives. The judging

panel selected two finalists. The two finalists then presented their proposals to the community at a public meeting in January 2007. A postal ballot was then held in February 2007 to select the winning architectural practice, Reiach and Hall Architects.

In response to community feedback, Reiach and Hall immediately offered to go back to a blank sheet of paper and begin the design process anew. Over the course of three further public workshops ([Supporting Documents SD.5-7](#)), Reiach and Hall produced a new design concept which has been widely accepted by the community. In this process the size of the hall was scaled back, such that it provides social space for a maximum of 150 people.



Neil Gillespie, Reiach & Hall, working on a 'live' design concept, avidly watched by community members at the 2nd Architectural Workshop, 11/08/2007

In May 2007, the community voted by a majority of 74% to purchase additional land, known as The Rivie, surrounding the existing hall and school house. This allows the new centre to be more optimally located to take advantage of coastal views, gives the opportunity to develop The Rivie as a recreational amenity complementing the new building, provides space for additional car parking, and finally allows the existing buildings to be retained and converted to accommodation units.

Democracy has been a hallmark of our journey so far - since 2003, we have held 24 public consultation events including meetings, workshops and postal ballots, culminating in a final ballot in June 2009, in which the community was asked whether or not it wanted the project to proceed in its current form. A

narrow majority (55%) voted to progress the project. A full list of consultation events is given in [Supporting Documents SD.8](#).



The Very Revd. Canon Gerald Stranraer-Mull overseeing the Rivie Ballot count, 30/05/2007

Wider need and demand for the facilities that we propose to offer has been established via consultation with senior executives in Aberdeen City and Aberdeenshire Social Services, the Care Commission, Aberdeenshire Community Health Partnership and the Voluntary Sector, including Voluntary Services Aberdeen (see Section 4).

3.4 Project Financial History

To date our project has raised nearly £120,000 from community fundraising and enterprise, grants and donations as follows:

▪ Scottish Executive Rural Voices	£6,123
▪ Aberdeenshire Council	£4,000
▪ Big Lottery Awards for All	£1,500
▪ Communities Scotland	£1,504
▪ Aberdeenshire Community Asset Fund	£10,000
▪ Big Lottery Investing in Ideas	£10,000
▪ LEADER	£38,000
▪ Fundraising	£27,915
▪ Enterprise	£9,237
▪ Donations	£7,691
▪ Bank Interest	£1,728
Total	<u>£117,698</u>



Sponsored 10-mile coastal walk from Balmedie to Collieston, 24/09/2005

With this support, we have been able to progress:

- Carrying out research by visiting a number of similar halls across Scotland
- Staging a national architectural competition
- Purchasing the land we need to build on
- Commissioning Reiach & Hall as our architects to progress detailed proposals for the design of the buildings
- Submitting an application for full planning permission
- Attending relevant conferences and workshops

In addition, Aberdeenshire Council has agreed to transfer ownership of the current site and existing hall and adjacent school house to CASCT at zero cost ([Supporting Documents SD.9](#)). Given current market conditions, the site and buildings have an estimated value of £200,000 -250,000.

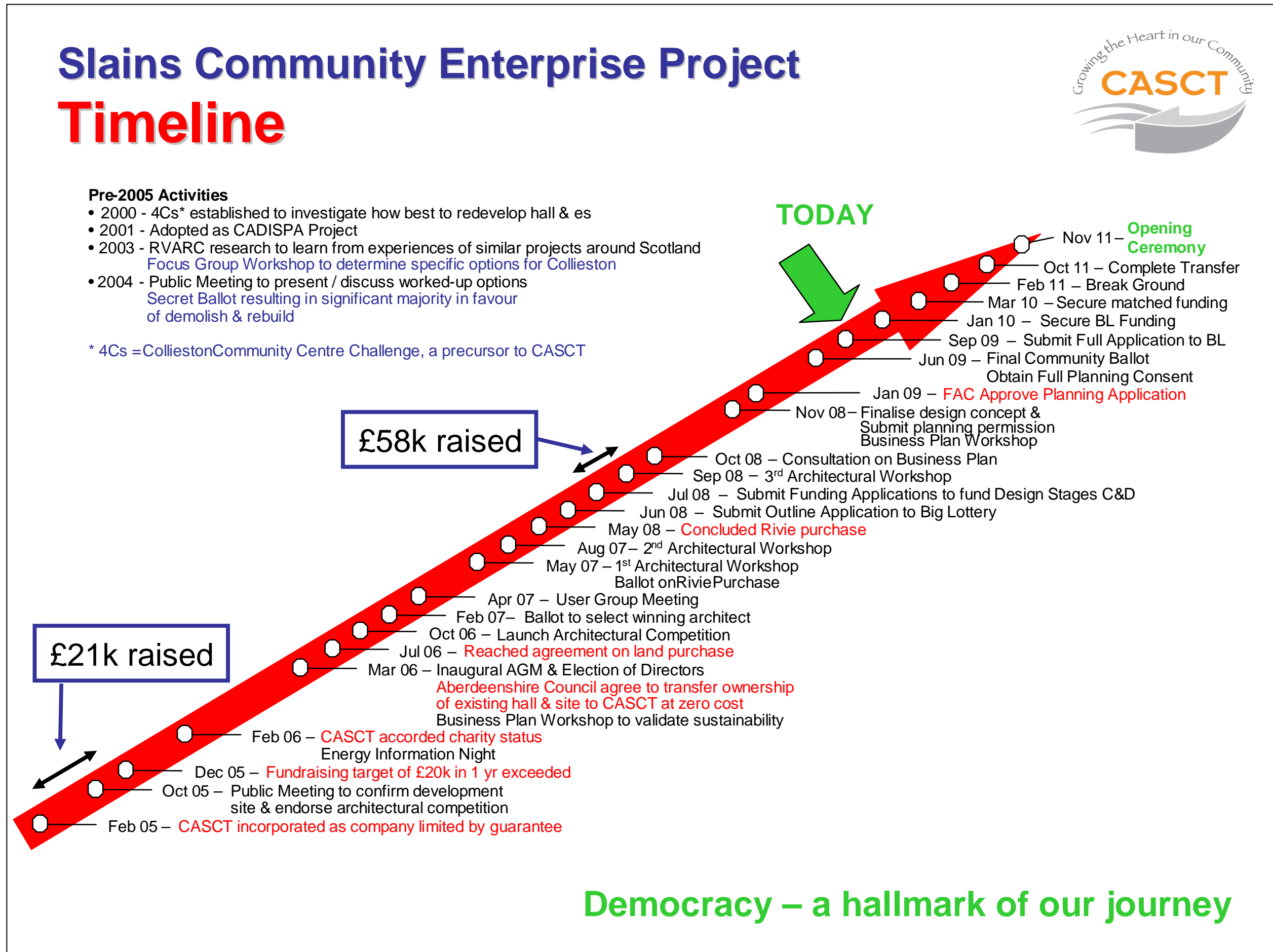
Highlights of the project to date include:

- Exceeding our target of raising a 'fighting fund' of £20,000 in one year from local fundraising (December 2005)
- Running a national architectural competition with an international judging panel to select an architect to design the new community centre (October 2006 – February 2007)

- Purchase of additional land, known as The Rivie (October 2008, [Supporting Documents SD.10](#))
- Obtaining full planning consent (June 2009, [Supporting Documents SD.11](#))

Figure 4 shows a schematic timeline of key project events, milestones and decisions to date.

Figure 4: Timeline of key events for project to date



4

STRATEGIC CONTEXT

4.1 Our Community

The harbour village of Collieston, with its safe and picturesque beach, is situated on the coast some 20 miles to the north of Aberdeen in the parish of Slains in the Formartine area of Aberdeenshire (Figure 5). Collieston borders the Scottish Natural Heritage (SNH) Forvie National Nature Reserve.



Figure 5 – Aerial photograph showing Collieston’s unique coastal location and the sites of the existing hall and school house, an alternative site for the new building and The Rivie, already purchased by CASCT

Slains community is known for its vibrant and passionate community spirit. This is redolent of the spirit that was both typical of, and necessary in, the flourishing 19th century fishing village that Collieston once was. The village is unique among

North East Scottish coastal villages in that it has scarcely expanded beyond its Victorian boundaries. Today the permanent population in the parish is a close-knit yet cosmopolitan mix of around 500 people. This total rises to over 600 during the summer months. It is a thriving community with a number of interest groups – a Community Council, an under-5s play group, an over-60s group, Scottish Women’s Rural Institute, a recently re-formed Youth Club and walking, running, pétanque, yoga, music and local heritage groups. In addition, the village along with the SNH Forvie National Nature Reserve plays host to numerous school parties, walking groups, families, canoe clubs and bird watchers.

4.2 Local Context

Over the last few decades, the proportion of our community that commutes to work has steadily increased to form the vast majority of the working population. In common with so many communities across the UK, much of the working population is independent, has easy access to transport and the freedom to choose where to access services. For many years, social interaction in the community has been focused around the village shop and the village hall.



Collieston's Post Office closed on 11 December 2008

The Collieston branch of the Post Office, in the village shop, closed on 11 December 2008. It has been replaced by a restricted outreach service located in the existing village hall. Without the Post Office and with no passing trade, the shop is not economically viable – it closed on the 26th September. We

have now lost the *only* location where members of the community of all ages interacted on a daily basis.

The village hall, formerly a Victorian School and currently owned by Aberdeenshire Council, is now too small to meet our growing community's needs ([Supporting Documents SD.12 and 13](#)), especially with regard to play group. In addition, only one activity at a time can take place in the hall.

Aberdeenshire Council has stated that while the hall will be maintained for the time being, any upgrading is very unlikely ([Supporting Documents SD.14](#)). There is no guarantee that the current charging scheme will remain unchanged. Booking regulations and charges are being enforced. With it becoming increasingly costly to maintain and hire, its long term future could be in jeopardy. If it ever closes, with no other place for the community to gather, social interaction between the age groups will diminish. The working population will come to see the village as no more than a dormitory. Social isolation will increase among the vulnerable and more disadvantaged members of the community. A cycle of increasing self reliance amongst working individuals will develop through necessity, as our community spirit declines. We must take action now to prevent this scenario becoming a reality.

4.3 Wider Context

Collieston is located within easy commuting distance of Aberdeen. Many villages within a similar distance of the city have seen considerable housing development and growth as dormitory towns for the city. Our community recognises that it must participate in the wider development of Aberdeenshire. This project offers the community the opportunity to manage its future development in partnership with the Local Authority to our mutual benefit.

Collieston is a recognised visitor attraction in North East Scotland. As such it represents the type of local heritage, leisure and recreation location that the Local Authority is committed to preserve within its development plan. CASCT has identified an opportunity through providing respite accommodation and services to assist the less able in the wider community of North East Scotland to access and enjoy our unique natural and social heritage, whilst contributing to the sustainability of our project.

4.4 Aim

The strategic context for our project is the preservation and growth of our community spirit.

Simply stated, the overall **aim** of our project is *to grow the heart in our community* by:

- Providing new community facilities
- Investing in a financially and socially sustainable social enterprise
- Carefully managing growth

4.5 Vision

Whilst we may be a small community, our *vision* is wide ranging. We aspire to be a *beacon of community spirit* that other communities in North East Scotland and wider afield will seek to emulate. Rather than hanging on to what we have enjoyed in the 20th Century in the forlorn hope that nothing will change, we will be proactive in establishing a positive legacy that will be appreciated by those that follow us in the 22nd Century. We want to be a community that says “We’re glad we did” rather than “We wish we had”.

4.6 Values

We are privileged to live in a unique location with such a rich cultural and natural heritage. We believe that it is only right that we not only preserve, but seek to grow the heart of our community and to share this heritage and our community with others less fortunate than ourselves. From this belief has grown our definition of community spirit – it is a community that values:

- Being together
- Supporting itself
- Welcoming visitors
- Contributing to society

4.7 Needs

The project has arisen because of the need for:

- *Increased sustainable community space* - Our current hall is too small and does not meet our needs. It cannot be used by more than one group at a time.
- *Improved community care both locally and in North East Scotland* - there is a local and national shortage of accommodation which is suitable for respite services. We also need better facilities to enable us to care for all of our community, including more space and better facilities for play group, a space for young people to socialise, and a drop-in centre for people of all ages, especially the elderly and isolated.
- *Improved and more inclusive access to services* - the new community centre will form a vital hub in the provision of access to local services. By tying it in with a community transport scheme, we can significantly improve the access to services for members of our community.
- *Performing and visual arts space* - the new centre will provide a much-needed venue in the Formartine area for the visual and performing arts. It will enable wider participation,

through the provision of exhibition space, performance space and opportunities for Life Long Learning in the arts.

- *Managing our community resources in an environmentally and socially responsible way* - the new centre is designed to be economically and environmentally sustainable. Now that we own the Rivie, we also have an opportunity to create a recreational amenity to complement the new centre and to enhance our natural heritage and our access to it.

The evidence for these needs and the alternatives that have been investigated for addressing them, are presented in the separate “[Options Appraisal – Needs](#)” document.

4.8 Outcomes

The outcomes that the project will deliver in addressing the above needs are:

- *Increased financial and social sustainability* within the community by establishing a social enterprise that will ultimately reinvest surplus funds back into the community
- *Improved quality of life* of both the local and wider community in North East Scotland
- *Increased skills, knowledge and confidence* in arts, heritage, provision of care and the operation and management of a social enterprise
- *Improved access to services* for vulnerable and isolated people within the community

The outcomes are summarised in the Outcomes Triangle in Figure 6.

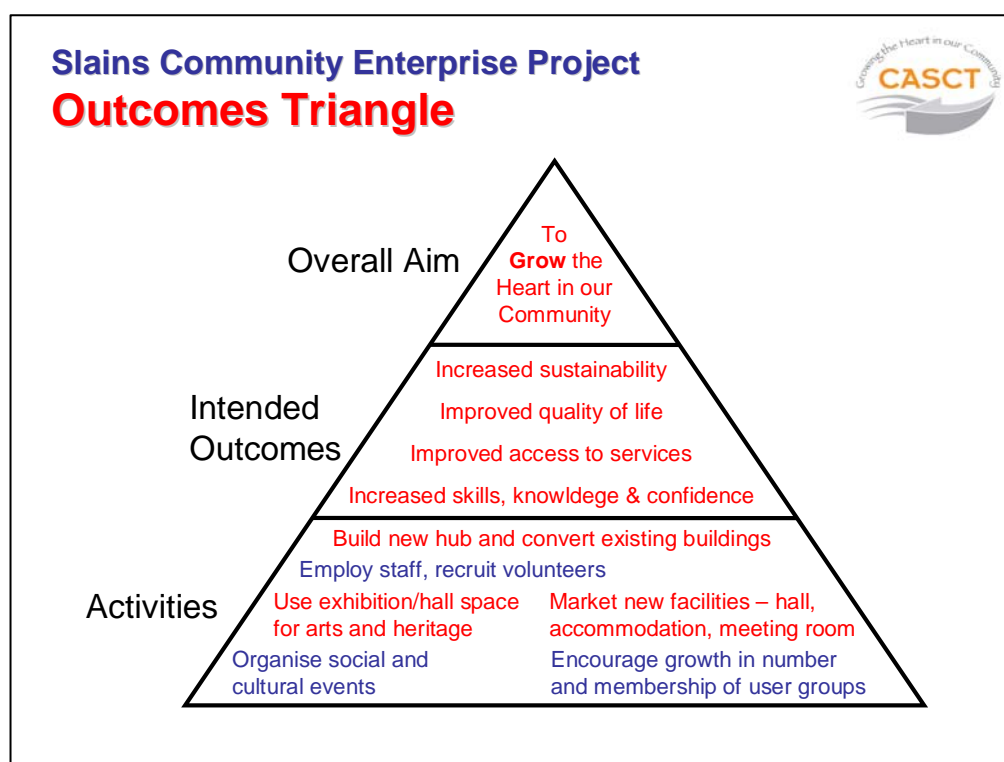


Figure 6: Outcomes triangle for CASCT project

4.9 Benefits

A wide range of local groups (including play group, youth group, over-60s and SWRI) will benefit from the facilities we propose to build. In addition, they along with many more people from outside the local community (including carers and the cared for, businesses, those interested in the arts and social and natural heritage) will benefit from:

- Use of respite services in the accommodation units
- Use of the function and meeting rooms
- The development of a Heritage/Arts related tourism resource for the Formartine area of Aberdeenshire
- The development of a natural heritage tourism resource in association with Scottish Natural Heritage
- Use of the studio flat suitable for artists in residence, writers, musicians and naturalists
- Use of the Café

- There is also the potential to continue to host the new limited outreach Post Office service within the Centre along with some form of retail outlet

Table 2 shows the benefits that will accrue to various groups as a result of our project.

Group	Need	Benefit
General Community	<ul style="list-style-type: none"> ▪ Social space to host various activities throughout the year e.g. Burns Supper, Quiz Nights, Gala events ▪ Space for life long learning activities ▪ Space for health and fitness activities ▪ Space for hosting funeral & wedding receptions 	<ul style="list-style-type: none"> ▪ Greater social integration ▪ Increased personal fulfilment and social integration ▪ Improved general well being and health ▪ Greater convenience from close proximity to church in village
Play Group / Under-5s	Safe, dedicated area for activities & learning	Play Group will be able to continue to operate within the village and to grow numbers
Over-60s	Social area and meeting room for presentations/talks	Improved facilities encouraging greater attendance/ participation
Elderly	Welcoming & cosy social space suitable for the elderly	Greater social integration and involvement
Youth Group (CATS)	Space for social interaction and activities	Improved social integration leading to development of young people
SWRI	Meeting room for talks & activities	Improved facilities encouraging greater attendance/ participation
Local churches	Space for ecumenical Sunday School and for hosting wedding and funeral receptions	Greater social integration and spiritual growth in the young
Arts & Heritage groups	Space for multi-media display, gallery, stage & retail outlet	Improved cultural awareness
Carers in the community and those cared for	Accommodation for respite	Improved health and general well being of caring families
Local Business & Government communities	Professional standard meeting room and environment for team building	Alternative meeting venue for local businesses
Visitors	Café, social space & access to facilities and holiday accommodation	Improved visitor experience

Table 2: Beneficiaries of the CASCT project

More than 3000 people a year will benefit in some way from our project. This is thought to be a conservative estimate based on

the average annual visitor statistics for the Stevenson Centre at Forvie National Nature Reserve (5000 per year).

In addition, the project will provide local employment for 4 part-time staff. Use of the facilities for events will also generate ad hoc employment opportunities.

4.10 Links to regional and national policies

The needs that we have identified are consistent with those identified by regional bodies.

With respect to our needs for increased community space, improved and more inclusive access to local services, and managing our community resources in an environmentally and socially responsible way:

- The Aberdeenshire Community Health Partnership recognised three strands of action within its Joint Health Improvement Plan ([Supporting Documents SD.15](#)), one of which was: improving access to services to overcome rural disadvantage and exclusion.
- Aberdeenshire Council's "Draft Structure Plan" aims to:
 - Protect and improve our valued assets and resources, including the built and natural environment and our cultural heritage.
 - Help create sustainable mixed communities, and the associated infrastructure, which meet the highest standards of urban and rural design and cater for the needs of the whole population.
- SRDP Theme 3 – Thriving Local Communities
 - Scotland's Sustainable Development Strategy Priority 3: Supporting thriving communities
 - Rural Scotland: Better Still, Naturally
 - Priority 3: Promoting sustainable, resilient rural communities and local empowerment and sustaining

and making the most of its natural and cultural heritage.

- Priority 4: Protecting Scotland's natural heritage and resources

In regard to our need for improving community care and providing space for the performing and visual arts, the following policies are relevant:

- Aberdeenshire Council Strategic and Community Plans – Priority 1: Community Wellbeing
- Aberdeen City and Shire Economic Manifesto – The Quality of Life priority
- Scottish Tourism: The Next Decade – A Tourism Framework for Change – Consistently exceeding our visitors' expectations
- North East Scotland Tourism Partnership A Strategy and Action Plan For Growth – high-quality visitor experience

4.11 Avoiding Potential Duplication

Both Aberdeenshire Council and Aberdeenshire Community Health Plan have acknowledged that CASCT plans to meet the needs identified above compliment their plans and do not duplicate, or replace, statutory provision of services ([Supporting Documents SD.16](#)).

5

PROJECT DELIVERY

In this section of the Business Plan, we outline how the outcomes will be delivered, milestone by milestone.

5.1 Outcome 1

Collieston and Slains community will have increased financial and social sustainability by March 2016.

Milestones

- **Break Ground on The Rivie – Feb 2011**

- **Refine Operating Budget – Jun 2011**

The business model has the first three years of operations defined, but this will require updating for latest timings and staffing and utilities costs etc.

- **Refresh Management Committee to oversee social enterprise – Jun 2011**

Research into the experiences of other projects has identified the benefits of refreshing the management committee and directors periodically to avoid stress and overload, and to bring in fresh ideas.

- **Develop Marketing Plan – Sep 2011**

There is a need to develop a detailed marketing plan targeted at potential markets which have already been identified by our initial research.

- **Implementing Marketing Plan – Oct 2011**

- **Complete transfer of ownership of existing buildings from Aberdeenshire Council to CASCT – Oct 2011**

- **Establish trading subsidiary – Oct 2011**

To maintain charitable status, CASCT will need to form a trading subsidiary before trading as a social enterprise.

- **New Community Centre operational – Nov 2011**

- **Establish Service Level Agreement with care provider - Feb 2012**

Market research (conducted through meetings with Aberdeenshire and Aberdeen City Council Social Services, conversations with a number of voluntary organisations and the identification of similar care facilities in the area), indicates that there is a shortage of respite service provision in the Aberdeen City and Aberdeenshire area. In order to provide such a service, as part of our social enterprise, we will need to enter into partnership with a care provider, to provide care in the respite accommodation units that we intend to build.

- **Accommodation units operational – Mar 2012**

- **Break even point achieved – Mar 2016**

Our intention is to claim for a proportion of operating costs reducing over a three year period from 75% in the first year of operations, to 50% in the second year, to 25% in the third year and 0% thereafter. Taking account of these grants, the project breaks even in April 2012. Without the operating grants, the break even point is achieved by September 2014.

- **Reinvesting 50% of annual operating surplus – from Mar 2016**

As a social enterprise, CASCT aims to reinvest a proportion of the operating surplus back into the community. We also intend to establish reserves funds to mitigate the risks of major repairs being required or extraordinary cash flow problems that may arise. We have set ourselves the target of being able to reinvest a minimum of 50% of the annual operating surplus remaining after contributing to the reserve funds starting in the fourth year of operations.

5.2 Outcome 2

1752 people will experience improved quality of life and community cohesion by end March 2015.

Milestones

- **Establish user groups (arts, photography, yoga, indoor bowls, keep fit, Pilates etc.) – May 2012**

- **Mar 2013**

- **Respite Services (12 wks x 1 unit x 4 people)**

The project aims to improve access to respite services in a unique natural and social environment in Aberdeenshire. Initially, we aim to establish a service level agreement with a care provider. We will let one accommodation unit to the care provider at a discounted rate for an agreed period of time. CASCT will encourage the care provider to work with the voluntary and public sector to ensure wide access to respite services. We assume that it will take 3 months to register our facilities with the Care Commission, so that the unit will be available for 9 months in the first year of operation. In order to estimate the number of people benefiting from respite services and accommodation, we assume a nominal 30% utilisation and that the person requiring care is part of a family of four. The number of people benefiting is 9 months x 30% utilisation x 4 people = 48 people.

- **x1 Art Exhibition (100 visitors)**

The project aims to provide a venue for the performing and visual arts in the Formartine area. The target beneficiaries include all age groups within our community, children in local schools and the wider community of Aberdeenshire. There is already a wide community of local artists willing to provide exhibits. The plans for the community centre allow for exhibition space. The figure of 100 visitors for a two week

exhibition is a conservative estimate based on evidence from the “Dolphin Gallery” run every Gala weekend.

- **x3 Performances (50 spectators/event)**

The target beneficiaries of this service include all age groups within our community, children in local schools and the wider community of Aberdeenshire. Performance may be live music or drama. The design of community centre includes a stage area and seating for 150. Three performances, each with an audience of 50, are based upon the numbers which attended the “Village Sunset” live music events held in the existing hall.

- **30% of senior citizens use Drop-in Centre on a regular basis**

There is currently no social point for senior citizens to meet in the village during the day. The new community centre will act as a multi-use space allowing interaction between age groups throughout the day. The design includes a comfortable seating area and tea and coffee making facilities. We estimate that there are 60 people over the age of 60 in our community.

- **15% of membership are active in user groups**

Membership of the centre is open to everyone in the community. The community holds social and cultural events throughout the year in the existing hall. Freed from the constraints of the existing hall, the new facilities will encourage even greater participation.

- **Mar 2014**

- **Respite Care (26 wks x 1 unit x 4 people)**

- **x2 Art Exhibitions (100 visitors/event)**

- **x6 Performances (50 spectators/event)**

- **20% of membership are active in user groups**

Initial users will help to establish a good reputation for the quality of services provided. Marketing will be refined based upon initial feedback and further discussions with target users. The growth in respite care and the number

of events is considered realistic and is in line with CASCT Operating Principles as stated in Section 2.4.

▪ **Mar 2015**

- **Respite Care (40 wks x 1 unit x 4 people)**
- **x3 Art Exhibition (100 visitors/event)**
- **x10 Performances (50 spectators/event)**
- **25% of membership are active in user groups**

Marketing will continue to be refined based upon feedback and further discussions with target users. The growth in respite care and the number of events is considered realistic and is in line with CASCT Operating Principles as stated in Section 2.4.

5.3 Outcome 3

1626 people will have increased opportunities to improve their skills, knowledge and confidence by end 2014.

Milestones

- **Refresh Hall Management Committee overseeing successful social enterprise – Jun 2011**

- **Enter into Service Level Agreement with playgroup – Aug 2011**

Playgroup is the major user group within the community centre; as such it is important to establish formal terms for use of the facilities.

- **Employ Centre Co-ordinator and Caretaker– Oct 2011**

A Centre Co-ordinator and a caretaker are required to market the facilities, take bookings and maintain the facility. The intention is that initially these two posts will be part time, with the hours worked depending on facilities use and income generated.

- **Establish volunteers for wheel chair buddying – Feb 2012**

The aim of this scheme is to encourage our community to engage more closely with those persons from the wider community with disabilities. Through this partnership the community enhances the experience of those being cared for by increasing their access to the natural environment and community life.

- **Establish user groups (art, photography, yoga, indoor bowls, keep fit, Pilates etc.) – May 2012**

- Groups provide the opportunity for increased social interaction and integration within the community. Over time, we anticipate that both the numbers of user groups, and the number within individual groups, will grow, thus demonstrating growth in the heart of the community.

-

- **Run summer Coastal Café – Jul and Aug 2012**

This facility has been run previously by the local youth group (Collieston Action for Teens, CATS). It is envisaged that this would be run again, both to provide opportunities to local teenagers and as a precursor to a more permanent service providing another income stream.

- **Run x1 school theatre workshop – Dec 2012**

School theatre workshops develop an interest in the performing arts in local school children as part of their life long learning. The initial target audience would be the community's own local school. Working in partnership with Aberdeenshire Council, the aim would be to offer this facility to other schools in the area.

- **Establish natural heritage tourism partnership with SNH (Forvie) – Mar 2013**

- The partnership would involve developing an interpretation of the natural heritage of Collieston beach and The Rivie to complement the interpretation on Forvie that is available at the Stevenson Centre.

- **Welcome 400 cultural and natural heritage tourism visitors by – May to Sep 2013**

The number of visitors is based on a proportion of the average annual visitor statistics of 5000 visitors to the Stevenson Centre at Forvie National Nature Reserve.

- **Run x2 school theatre workshop – Dec 2013**

- **Welcome 1000 heritage tourism visitors by – May to Sep 2014**

The increase in number of visitors as the centre's reputation grows is thought to be conservative based on the visitor statistics for the Stevenson Centre in the Forvie National Nature Reserve.

5.4 Outcome 4

15 vulnerable and isolated persons will have improved access to services within our community by end 2014.

Milestones

- **Acquire vehicle suitable for wheel chair passengers – Nov 2011**

Our project aims to improve access to local services and natural heritage for vulnerable and isolated members of our community and for disabled visitors using the respite accommodation. To do this, we will need to acquire a vehicle that is capable of accepting a wheel chair. We assume that the vehicle will be donated to CASCT. This transport service is not seen as an income generator and is therefore considered cost neutral for the purposes of the business plan.

- **Identify volunteer drivers – Nov 2011**

- **Develop local partnership with third/public sector – May 2012**

- **Develop regional partnership with third/public sector – Nov 2012**

- **Develop national partnership with third/public sector – Nov 2013**

Partnerships will be pursued in order to enhance the provision of all the services on offer in the new community centre.

5.5 Equality Principles

We aim to match the Big Lottery's equality principles by:

- Promoting access for disabled visitors in North East Scotland
- Valuing cultural diversity and promoting this via a programme of performing and visual arts
- Promoting participation in the social enterprise by continuing to involve and engage our community
- Ensuring that our Social Hub is truly inclusive in respect of all users and visitors, regardless of race, religion, gender, age, disability or sexual orientation
- Always aiming to reduce disadvantage and exclusion

6

PROJECT RESOURCES

6.1 Project Phases

Our project falls into three phases:

1. Capital Investment (Build) – Phase 1
2. Supporting the Social Enterprise – Phase 2
3. Operating the Social Enterprise – Phase 3

The resources that have been involved in the project to date are shown in [Supporting Documents SD.17a](#). We will address how we propose to resource Phases 1 and 2/3 in this section of the Business Plan.

6.2 Phase 1

CASCT Committee member Craig Leuchars will lead Phase 1 with support from fellow committee member Ian Bell. Their role will be to liaise with the Design Team's Project Manager (Reiach and Hall Architect Carol McBain) and to report back on a monthly basis to the CASCT Directors and Management Committee ([Supporting Documents SD.17b](#)).

Craig is a Graduate in Electronic and Electrical Engineering from the Robert Gordon University in Aberdeen. He has worked in the oil industry for 15 years as a project co-ordinator and project manager in the operations departments of two leading subsea service companies. He is fully conversant with contracts, auditing and dealing with both clients and subcontractors.

Ian is a Graduate in Mechanical Engineering from Glasgow University and has worked for 30 years as a Project Manager and ultimately a Programme Director for an international corporation in the electronics industry. 7 years ago, he set up a

Project Management Consultancy and has worked with a variety of companies to establish Best Practice in the execution and control of projects. A recent project was for the building of a research centre for a Scottish university. Ian, now in semi-retirement, lectures internationally on Project Management procedures and processes, mostly to the Oil Industry.

6.3 Phases 2 and 3

As we move into Phase 2, the organisational structure will change to that shown in [Supporting Documents SD.17c](#). We will appoint a Centre Co-ordinator who will have overall responsibility for running the new facilities and for implementing the marketing plan. A CASCT Director will be nominated as “HR Director” and the Centre Co-ordinator will report to the HR Director. The Centre Co-ordinator and HR Director will then recruit a part-time Caretaker, Cleaner and Shop Assistant. They will report to the Centre Co-ordinator.

Ad hoc staff or volunteer members of staff will also report to the Centre Co-ordinator. Opportunities for ad hoc employment and volunteering will be generated by the various functions that take place within the facilities e.g. Security, Stewards, Bar staff etc.

6.4 Financial Management

Throughout the project, finances will be managed by CASCT’s Directors, with Peter Somner taking the lead, with the support of our volunteer book keeper/Treasurer. We will consult with our appointed accountants and seek specialist advice as required (e.g. on VAT registration).

Peter is a Senior Manager within a large international company and is responsible for the development and management of Capital and Operating budgets. He also has many years of experience in project management and development and implementation of business strategies.

Good governance is ensured by a strictly observed system for approving all items of expenditure.

6.5 Management Structure

It is intended that our management structure remain as outlined in Section 2.2 of this document.

6.6 Policies and Procedures

In respect of documented policies and procedures we propose to:

- Provide salaried employees with contracts of employment
- Provide salaried employees with written job descriptions ([Supporting Documents SD.18](#))
- Follow Aberdeenshire Council's policies and procedures in respect of Equal Opportunities and HSE
- Ensure that all employees and volunteers receive an HSE induction prior to commencing employment/work
- Develop Operating Guidelines for the new facilities

6.7 Partnership Agreements

As Phase 2 progresses we anticipate entering into several partnership agreements. These may include:

- Care organisations for the provision of carers
- Arts organisations
- Scottish Natural Heritage, in respect of developing an eco-tourism / natural heritage partnership

6.8 Volunteers and ad hoc employees

We aim to encourage the participation of volunteers and ad hoc employees in our long term delivery of the project. This is, we believe, integral to our aims of encouraging inclusiveness and building capacity in our community. We envisage that most of

the volunteering will be undertaken by older teenagers and “active retirees”. As appropriate, our HR Director will ensure that all appropriate paperwork is in place (e.g. Disclosure Scotland).

There are particular areas where volunteering would be appropriate and helpful, but not essential:

- Various roles in respect of running the café and retail outlet
- Assisting at play group
- Wheelchair buddies – helping disabled visitors get around and especially to enjoy the wheelchair trail at Forvie
- Cultural and Natural Heritage Guides

7

PROJECT COSTS

From a financial perspective, the project can be regarded as having three phases, namely:

- Capital Investment (Build) – Phase 1
- Supporting the Social Enterprise – Phase 2
- Operating the Social Enterprise – Phase 3

Capital grants will cover the costs incurred in Phase 1. Operating grants throughout Phase 2 will support the transition from Phase 1 to Phase 3. Phase 1 is expected to last for 2 years and Phase 2 for a further 2-3 years.

7.1 Capital Investment (Build) – Phase 1

McLeman QS Network has developed a detailed capital cost estimate (see [Capital Grant Check List 3, Chapter 7](#)) for Phase 1 based on the design plans with full planning consent. Table 3 provides a summary of the capital cost estimate.

CAPEX (Capital expenditure and other start up costs)	Amount for application	Gifts in kind
TOTAL BUILDING COSTS	1,574,414.00	0.00
PROFESSIONAL FEES	293,198.02	0.00
Contingency	97,450.00	0.00
Storage / Alternative venue costs	0.00	0.00
START UP COSTS	66,000.00	5,000.00
Acquisition of site	0.00	0.00
VAT on conversion	15,388.00	0.00
VAT on external works	0.00	
Cost for build and contingency	2,046,450.02	5,000.00
Inflation year 1 of build	0.00	0.00
Inflation year 2 of build	34,070.24	100.00
Inflation year 3 of build	611.65	
Total	2,081,131.92	5,100.00
Contingency model		
10% of build costs	128,524.00	
5% on build costs and fees	97,450.00	
Year 1 inflation	0.00	
Year 2 inflation	34,070.24	
Year 3 inflation	611.65	
Total	260,655.90	

Table 3: Summary Capital Cost Plan

The total build cost for the project is £2.081 million. This includes start-up costs of £66,000 for furnishing the new centre and accommodation units to the required standard. It also includes an allowance of £260,656 for contingency and inflation, made up as follows:

- Main Hall – 10% contingency
- Refurbishment of the existing buildings – 10% contingency
- External ground works - 10% contingency
- We have included a further 5% contingency on build costs and fees to cover the risk of more extensive slope stabilisation measures, stone and rot repairs and asbestos removal being required than have been allowed for in the cost estimate.
- The BCIS tender price indices predict that between now and going to tender in 4Q 2010, costs will reduce by 4.5%. We have chosen not to apply this reduction because of the special local Aberdeenshire market that has been exacerbated by the Trump development. Accordingly, inflation has been set at 0% for year 1, and 2% for years 2 and 3. We believe this is a prudent approach.

The detailed cost estimate also shows the VAT we expect to be charged. As we do not intend to register for VAT at this juncture, VAT costs are included as part of our funding requests. We have assumed that VAT will be charged on the major works as follows:

- New build – 0%
- External ground works – 0%
- Refurbishment of the existing buildings – 5%
- Professional fees – 17.5%
- Other costs (e.g. white goods) – 17.5%

7.2 Funding

The funding for Phase 1 of the project is being sourced as follows:

- Existing buildings – will be gifted to CASCT by Aberdeenshire Council once funding is in place. The value is estimated to be between £200,000 and £250,000.
- Capital funds – the Big Lottery Fund and Scottish Rural Development Programme (SRDP) will be the two main funders. Our relationship with SRDP is immature, and we will seek to develop this in the coming months. We have been given the following reference details by SRDP:
 - SRDP Business Reference Number: 174613
 - SRDP Location Code: 66/054/0004

Additional funding (for stage lighting, PA system, security system, for instance) or any shortfall in funding not provided by the Big Lottery Fund and SRDP, will be sought from the other sources identified in Figure 7.

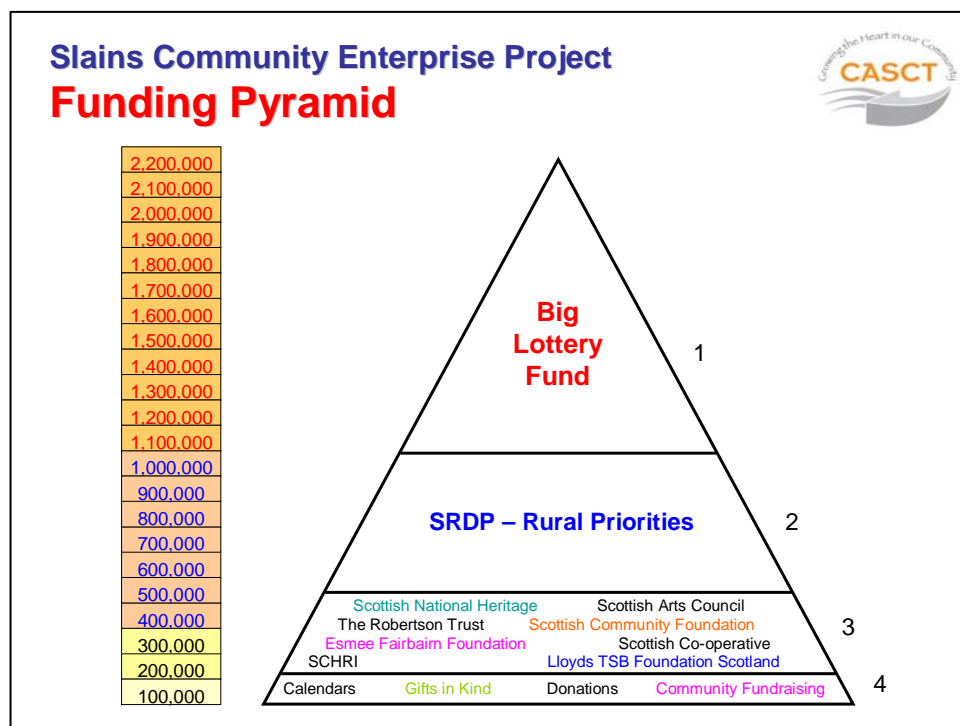


Figure 7: The Funding Pyramid identifying sources of matched funding

Gifts in kind will be sought from local businesses for such items as IT equipment, visual display and recreational equipment.

7.3 Supporting the Social Enterprise – Phase 2

The beginning of this phase is marked by the completion of the build phase and the facilities being commissioned for use (November 2011, Figure 2). Hire of the facilities will establish the main income streams that are central to establishing a sustainable social enterprise. In this phase, we will employ part-time staff comprising a Centre Co-ordinator, Caretaker, Cleaner and Shop Assistant. Operating costs will therefore include salary costs, along with insurance and utilities. The full application to the Big Lottery Fund requests operating grants on a sliding scale reducing over time and totalling approximately £62,000 (see Table 1 and [Appendix. BP.1](#)). The level of support reduces from 75% in the first year of Phase 2, to 50% in the second year, 25% in the third year and 0% thereafter.

7.4 Operating the Social Enterprise – Phase 3

This period of our project begins when sustainability is achieved, forecast to be March 2016. No further grants will be required to maintain its financial viability. Certain users of the facility will continue to apply for grants in their own right, such as the play group, in order to support their own activities within the facilities.

8

FINANCIAL APPRAISAL

This chapter of the Business Plan provides a financial appraisal of the project. This is based on a detailed financial model, which is presented in full in [Appendix BP.1](#). The model has been used to generate three financial scenarios (Scenario 1 - Worst, Scenario 2 - Likely and Scenario 3 - Best) that cover the likely range of facilities use and income generation. The model contains worksheets that:

- detail the assumptions relating to costs and income
- market research information

The activities associated with meeting the needs and delivering the outcomes involve use of the new facilities. Use of the facilities will generate income. Our Operating Principles state that the income generated must be balanced against the potential negative impact of increased numbers of visitors on the local community.

We have opted to use Scenario 2 as the basis of the CASCT Business Plan and full application to the Big Lottery Fund. It is the scenario that represents the best compromise between creating a sustainable social enterprise, meeting all our needs and delivering project outcomes whilst guarding against the potential adverse impact that external users might have on the local community. The key assumptions underpinning Scenario 2 are described below in Section 8.1; those for Scenarios 1 and 3 are given in the separate '[Options Appraisal – Opex](#)' document.

8.1 Scenario 2 – Likely Financial Case

In this scenario, facilities use reflects greater participation in community-based activities than is currently the case. As a

result, we will grow the heart in the community and deliver the project outcomes. The potential for this level of use to adversely impact the local community is not considered significant. Operating costs are proportional to facilities use, and margins on income streams and rental rates are based on market research and considered reasonable. Table 1 and Figure 1 (see [Executive Summary, Section 1](#)) show that in this scenario, the project has accumulated an operating surplus of approximately £17,000, excluding reserve funds to cover the risks of major repairs and extraordinary cash flow problems that may arise. With operating grants in place and excluding reserve funds, the project breaks even in April 2012. Without the operating grants and excluding reserve funds, break even point is March 2016. In the fourth year of operations, we expect to reinvest 50% of the annual operating surplus back into the community.

Accommodation units for Rent

In this scenario we adopt a realistic approach to the utilisation of the accommodation units. One of the 2 bedroom accommodation units will be let at a market rate to a care agency or local authority. It is envisaged that the agency or local authority will provide the care for any service users, not CASCT. The other 2 bedroom unit is let at market rates on a residential basis and the studio flat is periodically let to artists in residence, bird watchers or as holiday lets ([Supporting Documents SD.49](#)). The number of monthly or weekly lets in Scenario 2 is given in Table 4.

Description	Type of rental	Rate (£)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Flat - monthly	Internal	200	0	0	0	0	0	0
Flat - monthly	Respite	400	0	0	10	12	12	12
Flat - monthly	External	500	0	1	12	12	12	12
Studio flat - weekly	Standard	330	0	0	6	16	25	25

Table 4: Number of monthly or weekly accommodation lets in Scenario 2

Play Group

It is envisaged that play group would pay a rental fee of £75 per week for the use of this exclusive facility. The fee is based on the Play Group's current and expected turnover (see [Supporting Documents SD.18](#)) and the requirement for CASCT to undertake maintenance and repairs to the fabric of the play group space. Consequently, the fee is considered realistic, and while initial discussions have taken place, the fee has yet to be agreed with play group. Play group would continue to operate as a business in its own right preserving an existing job.

Rental of facilities

The utilisation of the hall and meeting room is based on a realistic growth in participation in community-based activities and in the number of external users. Table 5 shows the number of events per year taking place in the facilities.

Description	Type of rental	Rate (£)	Year 1	Year 2	Year 3	Year 4	Year 5
Meeting room - evening	Internal	10	0	20	81	94	114
Meeting room - evening	External	25	0	4	21	27	36
Meeting room - day	Internal	20	0	1	7	7	15
Meeting room - day	External	100	0	0	6	8	12
Hall - evening	Internal	30	0	1	5	7	10
Hall - evening	External	50	0	1	11	14	18
Hall - all day	Internal	60	0	0	2	3	6
Hall - all day	External	150	0	1	4	15	19

Table 5: Number of events occurring in the new facilities in Scenario 2

In terms of community impact, this scenario involves hosting 1-2 external day-time and evening functions a month in the hall. These external events are not thought to create a significant adverse impact on the local community. The level of internal use is considered realistic in terms of delivering project outcomes and

reflects greater community participation in communal activities and in the social enterprise.

Café

The figures for café use are based on a realistic model of approximately 3,000 users per year with each spending about £5. The number of users is based on 15% of the annual visitors to the Forvie National Nature Reserve (which is situated next door to the village of Collieston) or 60% of visitors to the Stevenson Centre (which is within 400 metres of the new facility and has no café – see [Supporting Documents SD.25](#)). We regularly have over 100 visitors to the village on weekend days and during school holidays when the weather is suitable. There are also numerous groups that use the village as a start or end point for walks along the coastal path. The margin applied to café operations is 30% and within the cost model we have also allowed for the employment of a part time shop/cafe assistant.

Retail outlet

The retail outlet of the enterprise would serve both the local community and visitors now that the shop has closed. It is also likely to host the outreach post office service. It will be a focal point for the sale of local arts, crafts, cards, calendars and local produce.

Art and Gallery

The new facilities will provide a superb Art Exhibition and Gallery space to showcase the work of local and Scottish artists, photographers and crafts people. We have had limited exhibitions in the past and our income is based on historical figures and adjusted for structured growth to capture the full potential of the facilities.

Staff and salaries

The staffing levels are matched to predicted activities. It is expected that all staff positions will be filled by people from within the local community. The rates of pay applied are in line with the current Aberdeenshire rates for similar positions. For 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 meet the trigger point for VAT registration (£68,000), we will take expert advice on how best to manage VAT issues as a social enterprise. We expect that our trading subsidiary will register for VAT.

Operating costs

The basic operating costs include utilities, insurance, maintenance, fire inspections, PAT testing, etc. They reflect higher utilisation of the facilities and are based on research from a number 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 (see [Capital Grant Check List 3, Chapter 7](#)). The running costs for the flats will be met by the occupants.

Professional fees

We have estimated £2500 per year for an accountant to carry out the annual review of the accounts and to obtain expert VAT advice. Preparation of interim financial reports will be carried out by the nominated director with support from the Treasurer.

8.2 Scenario 2 – Summary

The financial model and the associated scenarios described above and in the separate “[Options Appraisal – Opex](#)” document, illustrate that our project is robust. Table 6 presents a five year cash flow forecast for Scenario 2.

Table 4: Five year cash flow forecast

Bank at Aug 09 2000															
		Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11		
Year 1		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1	
	Income	20,056	18,556	21,641	24,725	24,725	32,128	24,725	24,725	18,556	5,910	7,410	92,798	315,955	Total income for year
	Opex	910	0	0	0	3,100	0	0	0	0	0	910	0	4,920	Total expenditure for year
	Capex	18,506	18,506	21,591	24,675	24,675	32,078	24,675	24,675	18,506	5,860	5,860	92,748	312,355	Total Capex spend for year
	Monthly var	640	50	50	50	-3,050	50	50	50	50	50	640	50	-1,320	Surplus
	Bank	2,640	2,690	2,740	2,790	-260	-210	-160	-110	-60	-10	630	680		
	Bank minus Opex grant	2,640	2,690	2,740	2,790	-260	-210	-160	-110	-60	-10	630	680	0	Opex grant year 1
		Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12		
Year 2		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Year 2	
	Income	116,073	126,783	126,783	137,493	148,471	149,542	162,897	172,610	162,936	152,203	147,882	157,671	1,761,342	Total income for year
	Opex	0	0	0	0	2,500	0	1,671	5,196	3,817	3,817	4,727	3,817	25,546	Total expenditure for year
	Capex	116,023	126,733	126,733	137,443	148,421	149,492	161,594	166,949	159,345	148,641	142,751	153,460	1,737,582	Total Capex spend for year
	Monthly var	50	50	50	50	-2,450	50	-368	465	-226	-256	404	394	-1,786	Surplus
	Bank	730	780	830	880	-1,570	-1,520	-1,888	-1,422	-1,648	-1,904	-1,500	-1,106		
	Bank minus Opex grant	730	780	830	880	-1,570	-1,520	-3,141	-5,172	-7,894	-10,646	-12,739	-14,841	13,735	Opex grant year 2
		Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13		
Year 3		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Year 3	
	Income	37,081	4,756	7,941	7,131	8,776	8,816	5,584	5,039	5,594	6,994	4,174	5,894	107,783	Total income for year
	Opex	5,716	4,806	6,184	6,212	8,712	7,122	5,274	5,274	5,716	4,806	4,806	5,716	70,342	Total expenditure for year
	Capex	31,194	0	0	0	0	0	0	0	0	0	0	0	31,194	Total Capex spend for year
	Monthly var	171	-49	1,757	920	65	1,695	310	-235	-121	2,189	-631	179	6,247	Surplus
	Bank	-935	-984	773	1,692	1,757	3,451	3,761	3,526	3,405	5,594	4,962	5,141		
	Bank minus Opex grant	-17,166	-19,712	-20,451	-22,028	-26,335	-27,137	-28,491	-30,390	-32,176	-31,651	-33,947	-35,432	26,838	Opex grant year 3
		Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14		
Year 4		Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48	Year 4	
	Income	4,169	5,309	8,109	6,899	9,629	9,209	6,347	5,342	5,417	4,522	5,602	6,122	76,678	Total income for year
	Opex	4,816	4,816	6,194	6,222	9,632	7,132	5,284	5,284	5,726	4,816	4,816	5,726	70,462	Total expenditure for year
	Capex	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Capex spend for year
	Monthly var	-646	494	1,915	677	-3	2,077	1,063	58	-308	-293	787	397	6,217	Surplus
	Bank	4,495	4,988	6,903	7,581	7,578	9,656	10,719	10,776	10,468	10,175	10,961	11,358		
	Bank minus Opex grant	-37,743	-38,913	-38,663	-39,649	-42,566	-42,153	-41,922	-42,697	-43,837	-44,963	-45,008	-45,444	16,228	Opex grant year 4
		Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15		
Year 5		Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60	Year 5	
	Income	4,112	6,422	7,867	9,507	8,792	9,157	6,515	4,155	6,030	5,850	3,890	5,770	78,068	Total income for year
	Opex	4,806	5,716	6,184	6,212	8,712	7,122	5,244	5,244	5,686	4,776	4,776	5,686	70,162	Total expenditure for year
	Capex	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Capex spend for year
	Monthly var	-693	707	1,683	3,295	80	2,035	1,271	-1,089	344	1,074	-886	84	7,906	Surplus
	Bank	10,664	11,371	13,054	16,349	16,429	18,465	19,735	18,646	18,990	20,065	19,179	19,264		
	Bank minus Opex grant	-46,969	-47,095	-46,244	-43,781	-45,158	-43,955	-42,684	-43,773	-43,429	-42,354	-43,240	-43,155	5,618	Opex grant year 5

9

MARKETING and COMMUNICATIONS STRATEGY

9.1 Stakeholder Communication

The various ways in which we currently communicate with our stakeholders is outlined in the Table 5.

Table 5: Communication with Stakeholders

Audience	Methodology
Our community	<ul style="list-style-type: none"> • Networking • The Blether & Rivie Review Newsletters • Posters • Door to door delivery of flyers • Questionnaires • www.colliestononline.org • Public meetings • One to One surgeries • Invitation to Community Councillors to attend all CASCT committee meetings • Independently verified Postal Ballots to gauge support at key milestones
Elected representatives	<ul style="list-style-type: none"> • Email • Letters • Face to Face meetings • An open invitation to attend CASCT meetings • www.colliestononline.org
Local Authority	<ul style="list-style-type: none"> • Email • Letters • Networking • Face to Face meetings • An open invitation to attend CASCT meetings • www.colliestononline.org
User Groups	<ul style="list-style-type: none"> • Networking • Questionnaires • Public meetings • A nominated liaison person on CASCT's committee • www.colliestononline.org
Advisors e.g. CADISPA, Big Lottery & Architects	<ul style="list-style-type: none"> • email • Face to Face meetings • Networking at conferences and workshops • www.colliestononline.org
Potential partners	<ul style="list-style-type: none"> • email • Letters • Face to Face meetings • www.colliestononline.org

9.2 Targeting Future Audiences

In respect of the future marketing of our facility, the target audiences and how we propose to reach them are addressed in Table 6.

Table 6: Targeting future audiences

Audience	Methodology
Our Community	<ul style="list-style-type: none"> • Networking • The Blether & Rivie Review Newsletters • Posters • Door to door delivery of flyers • Questionnaires • www.colliestononline.org
The disabled community	<ul style="list-style-type: none"> • Letters to the various interest groups • Letters to Local Authorities • Follow up meetings & presentations • Flyers/posters in Health Centres • PR in interest group media • www.colliestononline.org
The arts community	<ul style="list-style-type: none"> • Letters to the various interest groups • Letters to Local Authorities • Letter to Scottish Arts Council • Follow up meetings & presentations • Flyers/posters in Arts Centres • PR in interest group media • www.colliestononline.org
The business community	<ul style="list-style-type: none"> • Letters to larger local businesses • Follow up meetings & presentations • www.colliestononline.org
Local Authorities	<ul style="list-style-type: none"> • Letters to larger local businesses • Follow up meetings & presentations • www.colliestononline.org
Health Centres	<ul style="list-style-type: none"> • Flyers/posters in Health Centres
Tourist Information Centres	<ul style="list-style-type: none"> • Flyers/posters in TICs
Visitors to the area	<ul style="list-style-type: none"> • Flyers/posters in TICs • PR • Joint PR with SNH • www.colliestononline.org
The wedding market	<ul style="list-style-type: none"> • Building a relationship with an established outside caterer specialising in the wedding market • Networking • PR • www.colliestononline.org

9.3 Marketing and Communication Management

As indicated in Section 2.4, CASCT Director Alan White will develop a detailed marketing strategy during Phase 2. Local resident Jack Page will assist him with implementation. Jack has recently retired from a senior post in Shell Expro's Public Affairs Team and a career in journalism that spanned over 30 years.

At the commencement of Phase 3 we would expect that the new Centre Co-ordinator will take on the responsibility of implementing the detailed plan. We plan to support this person by creating well designed yet low cost flyers in respect of Respite Services, Arts and Tourism markets and PowerPoint presentations that can be easily tailored to meet specific needs.

10

MONITORING and EVALUATION

Monitoring of our progress in achieving our outcomes and milestones and evaluation of how well we are meeting our aims while adhering to our core Operating Principles will be an important and ongoing process.

The Centre Co-ordinator will attend the monthly Management Committee meetings to report on the activities of that month and the plans going forward. Any issues will be discussed and appropriate actions taken to resolve.

A log will be kept by the Centre Co-ordinator of all use of the facilities to record statistics for tracking performance on achieving milestones and delivering outcomes.

Every quarter the Management Committee will review the data and generate and present a progress report to the Board of Directors. The Board will instigate any actions which may be needed in order to ensure that milestones are met and outcomes delivered. In addition, the Board will review compliance with CASCT's Operating Principles and Guidelines.

Regular hall users, for example play group and other community groups, will be asked to provide feedback on an annual basis on their use of the facilities.

We will also continue to consult the community through the user groups, at public meetings and sometimes through more formal methods such as questionnaires. All meeting minutes and progress reports will be published on our web site and summarised at the Annual General Meetings.

11

RISK ANALYSIS

11.1 Risk Register

This section of the Business Plan deals with project risks and their mitigations and also provides a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. Table 7 summarises the main risks and mitigating actions relating to the project.

Description	Impact	Probability	Existing Controls	Action Required	Lead "Manager"
Risk that the centre will not generate a profit in the first 1-3 years	Negative cash balance	Med – High (decreasing as the income generators come on stream)	Cash flow and start up business plan management	Obtain funding for the start up operating costs.	Fundraising and business plan development sub-groups
Risk that the hall will not sustain a positive balance	Negative cash balance – leading to increased charges and more reliance on external users – worst case scenario leading to sale of part of the asset (e.g. the refurbished school house), but not the hall	Low	A robust and sustainable business plan – backed up by evidence	Ongoing development of the business plan	Business plan development sub-group
Risk from short term dip in demand for facilities	Short term cash flow problem	Low		Build up and maintain a surplus of at least 1 year's operational costs (before reinvestment of surplus in community)	Hall management committee
Risk from events in the hall disturbing residents of the accommodation units	Unhappy residents – leading to less bookings	Low – Medium (only infrequent late night events planned)	Balance in the business plan – low reliance on income from external evening events and fairly infrequent community events.	<ul style="list-style-type: none"> - Monitor the balance and consider limiting the numbers and end time of late night evening events if impacting the accommodation lets. - Communicate to users of the accommodation units when events are planned, invite and encourage participation in community events - Ensure that there is a process in place for users to contact hall management if problems arise 	Hall management committee
Risk of volunteer fatigue	Difficulties in sustaining the hall management committee and operation of community groups and events.	Medium	Balance in the plan between paid hall manager / caretaker and levels of commitment required by hall management committee. Minimal reliance on volunteers for day to day operations.	Subsidise cost of running hall operations through the income generated from the flat rentals. Keep motivation levels up through encouragement and refreshment of volunteers. Provide optional services such as out of season café as demand dictates.	Business plan development sub-group and hall management committee

Description	Impact	Probability	Existing Controls	Action Required	Lead "Manager"
Risk of increase in external users negatively impacting village life	Noise, disruption and anti- social behaviour	Low	Plan relies more on the low risk respite accommodation rentals than on external events.	Monitor levels and types of rentals; maintain a policy to judge impact of bookings on the community. Carefully manage any growth in line with our operating principles. Implement facility rental procedures (e.g. large deposit required on booking)	Hall management committee
Risk of subsidence of the land	Damage to property	Low	Professional risk assessment conducted as part of planning permission consent.	Continue to update risk assessments and maintain indemnity insurance	Project and hall management committee
Risk of overrun of building costs	Potential shortfall in funding – worst case project stops	Medium	£472k contingency included in the plan. Cost management plan established (see the Big Lottery Checklist 3 submission)	Monitor costs and manage in line with cost management plan and funding plan.	Project management committee
Risk of design changes	Cost and time overruns, potential negative impact on quality	Medium	Change management plan established (see the Big Lottery Checklist 3 submission)	Manage in line with established change management plan	Project management committee
Failure to obtain Big Lottery Funding	Insufficient funds to progress project – project stops	Medium	Submit the best application we can make	If the Big Lottery decides not to fund our project as it is not considered sustainable or our evidence of need is too weak, then the project will stop. If they do not fund us because our project does not meet their outcomes but the feedback is good, then we will consider applying to the next major funder for the largest part of the funds.	CASCT committee
We obtain the Big Lottery fund but then fail to obtain the matched funding required	Insufficient funds to progress project – project stops	Medium	Funding plan lists several major funders who we can target	Submit the best applications we can make to other funders	CASCT committee
Risk that we will not meet our outcomes	Not meeting our funders outcomes	Low	We have submitted fairly conservative targets	Monitor progress against outcomes, investigate any shortfall and plan interventions to correct where appropriate. Maintain open dialogue with funders to provide early warning of any issues and together revise outcomes as appropriate.	CASCT committee

Table 7: Risk register for the project

11.2 SWOT Analysis

Project Strengths

- **Management:** The project has a strong team of dedicated, management professionals who have successfully wed the widely differing hopes and concerns of a small, strong community, to the business requirements of a community enterprise bid. This requires a large degree of flexibility and professional capability in the management team and this has enabled them to listen to concerns and incorporate them in a viable business plan.
- **Vision:** The project has a clear vision and has adopted guiding principles in order to ensure growth is sustainable and does not have a negative impact on the village.
- **Unique Concept:** The project meets the needs of the local and wider community in a unique way. By providing facilities for respite services and for visual and performing arts, the wider community of Aberdeenshire will be able to experience the environment and the rich cultural and social heritage of the area whilst contributing to the sustainability of the project.
- **Consultation:** The community is blessed with a strong community spirit. Like any large family, everyone wants the best for their community and, everyone believes they know what's best for the community. Through frequent consultation, the management team has incorporated a wide variety of often conflicting views into a steadily evolving business plan and building design that is acceptable to the majority of the community.

Weaknesses

- **Regulatory Constraint:** Two key parts of the project are the creation of a respite care facility and the continuation and growth of the existing play group. Both areas are heavily regulated. The building design takes account of existing regulation but, the requirement to continually meet regulatory standards in order to deliver a service may impact on income generating potential in the future.
- **Success / Failure of Income Streams:** The project has a number of planned income streams which have been as well researched as possible. The uniqueness of the project however, means that a number of the income streams are untried in the Formartine area. The management team is confident of its research but, ultimately the success of each income stream will not be known until operations begin.

Opportunities

- **Flexible Business Plan:** The business plan aims to demonstrate the sustainability of the project and hence, focuses upon realistic scenario for income generation. The Financial Review section demonstrates that there are significant opportunities to generate income in excess of the forecast figures for sustainability. The business plan allows for other opportunities for income to occur once operations begin. The management team is strong enough to drop planned income streams which may fail. The generation of income will be managed in accordance with the CASCT's Operating Principles.

Threats

- **Financial Timelines:** The nature of the Big Lottery Fund application process means that the timing of funding becoming available is uncertain.

Growing the Heart in Our Community Slains Community Enterprise Project

Appendix

BP.1 – Financial Model: Scenario 2 – Likely Case