



Business Plan for The Thorold Arms, Marston

Prepared by the Thorold Arms Community Benefit Society
Limited

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1. Executive Summary

This business plan presents a proposal for the purchase, renovation and operation of the Thorold Arms, Marston, as a community-owned hub. The existing shop and pub will be modified to create a mixed use facility additionally including a café.

Our vision is to create a warm, welcoming, community hub for our two villages. A place where neighbours and friends can meet and our somewhat isolated rural community can thrive socially. We want to re-open as a country pub, café, B&B and village shop with reliable hours to make best provision of the facilities for locals and visitors alike.

The Thorold Arms has been a thriving pub in the past. Bringing it into community ownership will enable the community to develop the facilities to meet their needs.

To enable the purchase and operation of this facility a Community Benefit Society has been formed (FCA registration number 7295). This Society is known as The Thorold Arms Community Benefit Society Limited (TTA), and is a form of co-operative.

Capital to purchase the building (freehold) and update the premises will be raised through a community share offer. Shares will be sold at £50 each, with a minimum investment of 1 share up to a legal maximum of 2000 equivalent to £100,000.

Purchase of shares confers 'membership' of the society, giving members control over the business through the election of a management committee in accordance with the Society's rules and voting rights on significant issues at members meetings. All members will have an equal vote, regardless of the size of their shareholding.

The management committee (and shareholders) have the protection of "limited liability".

The aim is to buy the building and then undertake some refurbishment prior to re-opening before Christmas 2016. The extent of the initial refurbishment will depend upon the amount of money raised.

Ultimately we hope to open up the interior to maximise the use of the ground floor and make it inviting, attractive and accessible to all. The kitchen and shop will be extended and we will install dedicated staff and disabled toilet facilities.

On the first floor, refurbishment and redecoration of the staff living accommodation and B&B rooms is required. With sufficient funding we will improve the outdoor space with new accessible pathways and resurface the car park.

A marketing strategy is presented which will increase usage by local people, visitors staying in the area, and day-trippers.

2. Project Development

2.1. The Background to the Project

The Thorold Arms has been operating as a village pub for over 175 years. In 2007, after the village lost its post office and remaining shop, the owners received funding from the Pub is the Hub and opened a shop within the same building. The pub subsequently changed hands but the business did not receive the custom it needed and both the village pub and shop were closed by the receivers in early July 2015. An email consultation elicited local support for its re-opening and the Parish Council nominated it as an Asset of Community Value in early October 2015.

A well-attended public meeting held on November 14th voted overwhelmingly in favour of an initiative to acquire the premises for the community and to reopen the pub and shop.

It was recognised early on that this initiative could not be a small group's pet project and would only succeed with the support and blessing of the community. In order to give everyone a say, a questionnaire with a call for volunteers and ideas was circulated.

The questionnaire's results, published in the parish magazine and on-line at TheThoroldArms.co.uk made it obvious that the community wanted something better than just a pub and shop. A Community Hub was called for.

The concept is for a multi-functional space to service the needs of all sections of the community including the young, old and disabled. Opening hours need to be as long as possible and reliable.

It is expected that a shop/café/pub/restaurant combination run professionally using some volunteer staff during the day will be viable due to the support of community ownership as well as the lower profit requirements of community funded businesses. In addition, there will be low debt as funding will be mainly from capital investment.

There is no shop or pub within walking distance of Marston or Hougham and no public transport through either village. Young and old are isolated and neither village has a communal meeting place open all hours.

The purchase of the Thorold Arms building and creation of a Community Hub will fulfil the aspirations of the villagers. It will provide a fully accessible meeting place, facilitating the meeting and mixing of young and old, neighbours, friends and strangers, thereby vastly improving community cohesion and reducing isolation. The Hub will provide jobs, volunteering and training opportunities, and a safe, comfortable meeting place for all, including clubs and other community enterprises.

It is hoped that it will become a "go to" destination for nearby villagers and townsfolk and a stopping point for the many drivers and cyclists that pass by as well as walkers on the Viking Way and various circular walks centred on the pub.

2.2. The Local Community

Marston and Hougham are situated in the south of Lincolnshire, six miles north of Grantham and less than two miles from the A1. They are rural villages lying close to the river Witham and are surrounded by farmland. Each village has its own church and they share a village hall and playing field. Marston has its own primary school.

According to the most recent census (March 2011) the parishes of Marston and Hougham are characterised by the increasing age of the population. As the graph below shows we have a population much older than the average in England and Wales, almost double the proportion of over 50's than the rest of the country and half the under 35's.



We already don't have enough young residents to field a cricket team and without the appeal of a pub, shop, café hub to attract new and younger incoming residents, the average age of the villages will continue to increase, eventually becoming a ghetto for older people.

2.3. The Current Position

Developing a Sustainable Business

Whilst Marston and Hougham have a thriving community scene of groups and active volunteers, it is clear that their sustainability as villages is under threat. It is challenging for any business to survive in a rural location with a limited market and it has become clear during the development of this business plan that co-location of businesses under one roof, with shared overhead costs, is key. The Community Hub would support the local economy, providing local employment, as well as purchasing local produce, goods and services, supporting local food producers and other service providers.

To progress this proposal, the steering group set up in the wake of the July 2015 closure of the pub and shop have:

- Registered the Thorold Arms at South Kesteven District Council as an Asset of Community Value (24th December 2015).
- Set up a legal entity, known as The Thorold Arms Community Benefit Society Limited.
- Become Plunkett Community Co-operative Network members (basically corporate members of the Plunkett Foundation). This gives us access to advice and many services for free or at discounted rates;
- We have instructed J Hallam Associates to conduct a condition survey of the pub.
- We have instructed T Square Architectural Design Services to design a potential new layout for the pub and shop and to cost the renovation works.

2.4. The Future

There are now many examples of villages that have saved their local pub by taking it into community ownership and offering a different business model, involving either voluntary or professional management. In all of these models the profit from the business can be invested back into the pub or other facilities or activities in the locality.

For community shareholders, it provides a social reward knowing that the investment is being put to worthwhile causes as well as offering a financial reward in the form of interest.

3. Vision

The vision is to create a warm, welcoming, community hub for our two villages - a place where neighbours and friends can meet and our rural villages can come together. We aim to re-open as a country pub, village shop, B&B and café with reliable hours to make best provision of the facilities for locals and visitors alike.

The re-designed ground floor is intended to be inviting, attractive and accessible to all. The bar will be moved and positioned at the building's heart. The interior will be opened up and extended to maximise the floor space whilst retaining a cosy log burner.

Old and Young, Cyclists and Walkers

We know that the demographics of our villages indicate that we have a relatively elderly population, yet the property of course also sits opposite the school. We will ensure improved access and the comfort of less physically able visitors with dedicated disabled toilet facilities and the updated layout.

Social and age-related isolation has a wide-ranging effect on health and wellbeing. It is vital that the residents of our villages have somewhere to meet, chat and socialise with one another in a comfortable environment and without it costing the earth. The risk of isolation and loneliness to our neighbours can be greatly reduced by support for this proposal.

We plan to open the car park up for the use of school parents and hope that they find the shop and café useful. There will be employment, volunteering and training opportunities that might particularly suit our younger population or those who do not have independent transportation. We will welcome Viking Way walkers and would like to create facilities for visiting cyclists also.

Day and Night

Our plans anticipate that the building will be used throughout the day and evening hours. Clubs, societies and other initiatives might use the coffee shop as a meeting place earlier in the day with more traditional pub and restaurant use later on.

A friendly welcome and great service with a smile will encourage repeat custom. The pub and café will sell food and drink that is appetising, enticing and good value for money. The shop will stock essentials and will, wherever possible, stock local produce and support local businesses and individuals. The combination of value and service will ensure the long-term viability of the project.

What do you want it to be?

Most importantly, this will be your pub and your social hub. You must tell us what you want – let your imagination run wild and help us create a focal point for our villages that thrives and is protected for everyone's use for the foreseeable future.

4. Business Model

4.1. The Thorold Arms Community Benefit Society Limited (TTA)

The best way of achieving our aims for the Thorold Arms is to buy it and operate it as a community hub. The Thorold Arms Community Benefit Society Limited (TTA) has already been established as a legal entity to enable this to happen should the village support the idea. Money will be raised, through a share issue, to enable purchase of the pub for the village and members of the society.

The benefits of this are:

- The local community would own the building in perpetuity and have a stake in its success
- People will feel more committed to the facilities offered by the hub
- Setting up a co-operative will allow us to attract grant aid
- Purchasing shares may provide a modest annual return by way of interest payable to members
- Local people will have a stake in its success

4.2. Future Options

Given that the proposed business is viable (see financial forecasts), additional services could be added later at low risk. Suggestions include:

- Book-swap / second –hand book shop
- Open exhibitions for local artists
- Luncheon club / event catering / school meals service
- Provision of a meals on wheels service to our elderly or infirm villagers
- Dry cleaning collection and drop off point
- Parcel drop-off and collection service
- Internet café
- Drop-in / training sessions for internet access
- Development of a micro-brewery

These opportunities are limited only by the space available and demand for the service and will continue to be explored by the management team.

4.3. Shares issued by TTA

As a means of raising the required capital, shares in the project will be issued by TTA. Unlike shares on the stock market these shares cannot increase in value so trading in the shares is solely between TTA and the individual investor. It should be noted that shares can decrease in value if TTA were to dissolve but this may be mitigated by a large part of the investment being locked into the capital of the building itself.

The cost of each share is £50 and the minimum shareholding is 1 share (£50). There is (by law) a maximum investment of £100,000 per member (equivalent to 2000 shares). Owning a share automatically entitles the member to having a say in how the community society is managed. Being a community benefit society, each member would retain one vote no matter how many shares they own. Shares bought for children will not confer membership or voting rights until they are 16.

The membership will elect a management committee that will, amongst other things, advise the members on what they think the annual level of interest to return to the members should be set at. You will be able to apply to withdraw your investment after an initial tie-in period of at least 3 years, subject to the rules governing how investors can make withdrawals. The rules ensure the purposes of TTA are not undermined by having too much taken out at one time. All withdrawals are at the absolute discretion of the management committee, having regard to the long term interests of the Society and other criteria found in the Society's rules.

5. Building Purchase & Renovation

The Thorold Arms is for sale by the receivers for £250,000. We believe, provided we can raise our minimum target of £250,000, that we will be able to make a sufficiently attractive offer to buy the premises and retain enough capital to bring the pub back into business again, using additional financial help in the form of grants and a loan.

The minimum requirement is to buy the pub and fund enough reopening works to restore the business to the state that the pub was in when it was forced to close. We are certain that under community ownership and with the resident's support that this minimum level of funding would create a successful and sustainable business.

Our more ambitious "full vision" will require a higher level of funding and we'll phase the additional works as we get access to the required funds, each phase with its cash requirement is set out below

In simple terms the more we all invest, the better The Thorold Arms will be!

The following broad categories of costs and renovations have been identified:

Pre-opening works:

- Refit the kitchen.
- Decorate internally.
- Repairs and general maintenance.
- Refurbish the staff accommodation.
- Refurbish the B& B accommodation.
- Test, repair and/or update plumbing and heating.
- Repair render and redecorate outside.
- Furnish, stock the shop, pub and kitchen.

This is work that has to be carried out in order to reopen in any form. Budget of around £90,000 (includes day-day working capital for at least 3 months).

Phase 2

- Move the bar and join with the shop so staff can serve both the café and shop.
- Open up and connect the current pub and restaurant areas.
- Refurbish and extend the toilet area to create a dedicated disabled access WC.
- Renew and extend external paving.

This additional work will allow the shop and café to integrate and is probably the key to cost effective all day operation. The same staff will be able to easily access the shop, café and kitchen, which facilitates the vision of a shop and café that is interlinked and able to operate all day, sharing staff.

We also create full disabled access to the premises and this is a very important aspiration for the project. It does not come cheap because it involves an extension to the building and complete refurbishment of all the WCs and widening and levelling the paths outside. An additional budget of around £75,000 would be required.

Phase 3

- Roof over mini courtyard and enlarge kitchen.
- Enlarge shop by extending.
- Create kitchen store and staff WC by extending.
- Redesign and resurface the car park.

Roofing over the small "courtyard" between the current kitchen and shop enlarges the kitchen and vastly improves the physical flow of work (washing up to preparation to cooking to cold prep and serving). A

linear flow here and the extra space will enable sufficient kitchen throughput for a busy pub/food scene. This could be achieved for an additional budget of £20,000.

It is proposed to double the shop size. A bigger shop would allow us to stock a much greater range of products to better serve the local and passing populations and consequently generate more business. Creation of a proper kitchen store and staff WC would enable much greater efficiency and a more successful kitchen. These two proposals would cost around £60,000-£70,000.

Redesigning and resurfacing the car park at £30,000 is probably a “nice to have”. However the frequent use of the car park, particularly by parents stopping to drop and pick up school children, is very wearing to a loose surface and the pub will have a duty to maintain adequate levels of safety for all visitors.

To summarise, the options outlined above are pretty much additive but could be more expensive, and definitely disruptive, if not carried out together. They do however illustrate some of the choices that will have to be made after the money-raising phase of the project is over.

Looking at the two extremes; achieving everything and including phases 2 and 3 could be classed as the “full vision”; and while we have great ambitions in our plans, even if we just achieved the reopening of the pub with the pre-opening works listed above that would be a huge step forward and well worth fighting for.

6. Marketing Plan

The marketing plan for TTA is based on three fundamental aims:

1. To attract new and old customers to our facilities (building the customer base)
2. To increase the frequency with which customers use the facilities (building customer loyalty)
3. To increase the value of each visit made (building customer value)

The target market segments that we hope to attract are:

- ❖ Local people (families, young and older people) – from Hougham, Marston and the wider area;
- ❖ Tourists, including those staying in holiday accommodation locally;
- ❖ Day visitors to the area, particularly walkers and cyclists.
- ❖ Townies – driving out for a good pub meal.

6.1. Increasing the Number of Customers

The first part of the marketing strategy relies on raising awareness of the new Community Hub and the facilities on offer. This will be done through an extensive outward facing marketing campaign incorporating all forms of media (print, social media, word of mouth). For example, articles will be placed in local papers and in special interest publications (for cyclists and walkers). Website articles (on our own, and other's websites) will be used, along with Twitter, Facebook, specific marketing to special interest groups such as cyclists and walkers, and marketing emails directly to those who have expressed an interest in being kept informed about the project.

We will seek to work with local businesses, groups and clubs to raise awareness of the project amongst their customers, users and visitors. This will be done through leaflets / posters within local businesses, and through giving talks and presentations to local groups. The local school, opposite the Thorold Arms, offers an important marketing channel to engage parents picking up and dropping off children.

6.2. Increasing the Frequency of Visits

Having attracted customers initially through the door, our main marketing tool will be to create a great impression and build a positive reputation to encourage repeat visits. To do this we will offer favourable terms and conditions to staff and ongoing training to enable them to provide a great customer experience. We will invest in the fabric of the building on an ongoing basis to provide the kind of environment that our customers will expect. We will serve customers promptly, with a friendly manner and any complaints will be dealt with to reach a satisfactory outcome for the customer.

A regularly changing food menu and drinks offer will also help to retain customer interest, attracting repeat visits on an ongoing basis.

A series of activities and events aimed at engaging all sections of the local community, as well as visitors will be developed. In addition, events such as regular community barbecues & hog roasts on bank holidays or national days of celebration.

We will encourage customers to review us. Maintaining a watching brief on review websites such as TripAdvisor will enable the Hub management to respond to any negative reviews / comments quickly and directly, showing the wider potential customer base that we are engaged and committed to improving services.

6.3. Increasing the Value of Each Visit

One way to increase the value of each visit made by customers is to increase the amount of time spent in the facility; people popping in for a drink may be persuaded to stay for a meal or snack by prominently displaying an eye catching and tempting menu, whilst those visiting to use the shop may be enticed to stay for a bite to eat after seeing a display of delicious cakes and smelling the freshly brewed coffee.

Newspapers and second hand books can be used to encourage longer dwell times, and games and toys can help to create a child-friendly environment, retaining family visitors for longer. Good Wi-Fi connections can also encourage visitors to stay longer, particularly those who do not have access to this elsewhere e.g. tourist visitors. Ultimately, creating a comfortable and pleasant environment, that meets the needs of the customer, will encourage longer, more valuable visits.

7. Management & Operation

The community asset will be owned by TTA. We have chosen this legal model because it emphasises the social benefit of the project, whilst giving the management committee and shareholders the protection of limited liability. It guarantees an “asset lock” that ensures the assets of the society will be used for the benefit of the community and cannot be disposed of for the private profit. TTA rules have been approved by the Financial Conduct Authority and are available separately.

Management & Operation of TTA

The strategic management of the venue will be overseen by TTA which has been set up specifically for this purpose. Our intention is to establish a broad membership drawn from across the local community through the purchase of shares. The Members (shareholders) will elect a management committee at its Annual General Meeting.

Day to day operation

A general manager will be appointed, for the day-to-day management of the facilities, leaving the community, through the shareholders and their appointed Management Committee, to set the strategic direction.

8. Financial Forecasts

8.1. Assumptions

Financial forecasting for a new business is inevitably speculative. The previous incarnation of the pub went into receivership and there are no meaningful financial figures from that era for us to use.

Earlier in this document there is evidence of how the new business will be run and marketed and how the benefits of capital investment and community ownership will enable the business to run successfully, when the previous business had a significant debt to finance and private ownership failed.

The next section outlines the anticipated income and expenditure forecasts for a five-year period following opening of the new community hub incorporating a shop, café, pub and B&B. The values presented are exclusive of VAT.

The numbers are consistent with industry standard revenues averaged for similar sized rural pubs in England earning roughly 50% from drinks (wet) and 50% from food (dry) together with forecasts for the shop, café and B&B. The industry standard pub averages are published by the British Beer & Pub Association.

We are assisted with these figures by comparison with the results of our questionnaire when we asked locals to predict their usage of the proposed new facilities based on a number of visits per week, month or year. This survey was completed by 25% of households in the villages of Marston and Hougham.

Distribution of the survey was inadequate due to the early stage of the campaign to save the pub. Consequently we are happy to at least double the projected “visits”.

Choosing a “visit value” is also speculative. The survey was per household, meaning a single visit could include a single person or a number of people. We chose conservatively the following average visit values: restaurant £30; pub £10; shop £5 and café £5. This is not necessarily the spend per person per visit but an average spend per household visit.

Using these numbers, we can anticipate annual sales of £200,000 which compares reasonably with the industry benchmark.

Pub & Pub Food	The figures used for the pub & pub food sales and expenses are supplied by the British Beer & Pub Association (BB&PA) for a rural character pub with approximately £5k weekly sales 50% food (dry) and 50% drink (wet). The turnover is roughly double our survey's estimated locally induced turnover, which confirms that it is realistic, given the conservative estimate and the many other sources of customers not considered in that basic calculation. Each subsequent year sales and costs are inflated by 5%.
Shop	An estimate has been supplied for the shop approximating to the locally induced turnover extrapolated from the survey. Each subsequent year sales and costs are inflated by 5%.
Café	A conservative estimate has been supplied for the Café approximating to the locally induced turnover extrapolated from the survey. Each subsequent year sales and costs are inflated by 5%.
Accommodation	Bed and Breakfast is based on 2 double en-suite rooms charged at £50 per night. The first year assumes 50% occupancy and the second onwards at 75%. Each subsequent year sales and costs are inflated by 5%.
Costs of Pub & Premises	The pub and premises costs are based on industry standard costs measured by the BB&PA as a percentage of pub turnover. Additionally a pub management couple salary has been included.
Shop costs	The running costs of the shop are assumed to be covered in the pub costs although a manager's salary has been included separately.

8.2. Five-Year Income and Expenditure Forecasts

		1 st Year Weekly	Year 1	Year 2	Year 3	Year 4	Year 5
Pub & Pub Food							
Drinks Sales		£2,000	£104,000	£109,200	£114,660	£120,393	£126,413
Food Sales		£2,000	£104,000	£109,200	£114,660	£120,393	£126,413
Total Sales		£4,000	£208,000	£218,400	£229,320	£240,786	£252,825
Cost of drink		£1,215	£63,180	£66,339	£69,656	£73,139	£76,796
Cost of food		£905	£47,060	£49,413	£51,884	£54,478	£57,202
Total Cost		£2,120	£110,240	£115,752	£121,540	£127,617	£133,997
Gross Profit		£1,880	£97,760	£102,648	£107,780	£113,169	£118,828
Shop							
Sales		£1,500	£78,000	£81,900	£85,995	£90,295	£94,809
Cost of sales		£1,000	£52,000	£54,600	£57,330	£60,197	£63,206
Gross Profit		£500	£26,000	£27,300	£28,665	£30,098	£31,603
Café							
Sales		£300	£15,600	£16,380	£17,199	£18,059	£18,962
Cost of sales		£150	£7,800	£8,190	£8,600	£9,029	£9,481
Gross Profit		£150	£7,800	£8,190	£8,600	£9,029	£9,481
B&B							
Sales		£350	£18,200	£27,300	£28,665	£30,098	£31,603
2 Rooms Gross profit		£350	£18,200	£27,300	£28,665	£30,098	£31,603
Total Turnover		£6,150	£319,800	£343,980	£361,179	£379,238	£398,200
Total Gross Profit		£2,880	£149,760	£165,438	£173,710	£182,395	£191,515
Costs of Pub & Premises as % of Pub Turnover							
	%age	Weekly	Year 1	Year 2	Year 3	Year 4	Year 5
Pub & Pub Food							
Wages	21.20	£848	£44,096	£46,301	£48,616	£51,047	£53,599
Rates	2.90	£116	£6,032	£6,334	£6,650	£6,983	£7,332
Utilities	5.40	£216	£11,232	£11,794	£12,383	£13,002	£13,653
Repairs	2.00	£80	£4,160	£4,368	£4,586	£4,816	£5,057
Insurance	0.90	£36	£1,872	£1,966	£2,064	£2,167	£2,275
Marketing	1.40	£56	£2,912	£3,058	£3,210	£3,371	£3,540
Consumables	0.40	£16	£832	£874	£917	£963	£1,011
Waste/Cleaning/Hygiene	1.20	£48	£2,496	£2,621	£2,752	£2,889	£3,034
Prof fees	1.40	£56	£2,912	£3,058	£3,210	£3,371	£3,540
Bank Charges	0.80	£32	£1,664	£1,747	£1,835	£1,926	£2,023
Equipment Hire	0.20	£8	£416	£437	£459	£482	£506
Other Costs	2.20	£88	£4,576	£4,805	£5,045	£5,297	£5,562
Management couple	19.23	£769	£40,000	£42,000	£44,100	£46,305	£48,620
Total Pub Operating Costs	59.23	£2,369	£123,200	£129,360	£135,828	£142,619	£149,750
Extra Costs of Shop							
Shop Manager 40hpw		£400	£20,800	£21,840	£22,932	£24,079	£25,283
Other Costs							
Servicing a £50,000 loan		£100	£5,200	£5,200	£5,200	£5,200	£5,200
3% Shareholders Interest			£10,500	£10,500	£10,500	£10,500	£10,500
Total Costs		£2,769	£144,000	£151,200	£158,760	£166,698	£175,033
Total Profit		£111	£5,760	£6,048	£6,350	£6,668	£7,001

9. Risk Analysis

This section identifies the key risks associated with the project. The risks are assessed according to the likelihood of occurrence and level of impact on the project should they occur.

Key risks to the project

- Share capital raised does not meet minimum target
- Refurbishment costs exceed budget
- Insufficient customers to cover operational costs
- Departure of members / loss of key skills within TTA management committee
- Unforeseen operating costs or increases in costs

The following chart plots the likelihood of occurrence and impact of each risk:

		Likelihood		
		Low	Medium	High
Impact	High	Low risk Unforeseen operating costs or increases in costs	Medium risk Insufficient customers to cover operational costs	High risk Share capital does not meet minimum target
	Medium	Low risk	Medium risk	Medium risk Refurbishment costs exceed budget
	Low	Low risk	Low risk Departure of members / loss of key skills	Low risk

Share capital raised does not meet minimum target: If we are unable to meet the minimum target with the share offering then we will have to return the monies raised to the individuals and we would not be able to proceed with purchasing the building. As TTA are unwilling to proceed with the purchase using loan financing the impact is high and it is likely that the villagers will lose their last opportunity to retain a pub and shop in the village. The risk is considered to be high.

Refurbishment costs exceed budget: Assuming we exceed the minimum budget, refurbishment will proceed in line with available funding. The likelihood of not raising the full amount needed to do all of the “full-vision” changes to the building is considered to be high. However, essential works will be prioritised and more desirable activities will progress as money becomes available. Once we have purchased the building we will have better access to a number of grants which should enable refurbishment to be completed in stages, therefore, the risk is medium.

Insufficient customers to cover operational costs: If the new community hub fails to provide the anticipated revenue income, the impact would be high. However, the consultation with the community shows that the shop, café and pub would be used by a significant proportion of the local community and the business plan uses figures based on feed-back from potential customers. Overall the risk is considered to be medium.

Departure of members / key skills within TTA management committee: Although it is considered likely that the membership of the management committee will change it is anticipated that if the project is successful with the initial share offering other people, with key skills, will come forward to be members of the team and ensure an adequate range of skills, knowledge and experience. Consequently, the risk is low.

Unforeseen operating costs or increases in costs: Significant increases in operating costs would have a high impact. However, as all assumptions have been based on industry standards the likelihood is considered to be low and hence, the overall risk is low.