



Plumstead Community Shop Limited

BUSINESS PLAN

27 July 2018



The Community Shares Standard mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. For more information about community shares, the Community Shares Standard mark and the Community Shares Unit go to: communityshares.org.uk

Contents

Executive Summary	3
1. Background and Current Situation	6
2. Vision.....	7
3. Social Returns	8
4. Legal Structure.....	9
5. Management Structure.....	9
6. Market Research.....	10
7. The Business	13
8. The Share Offer.....	16
9. Resource Implications.....	17
10. Timescale.....	18
11. Risks.....	19
12. Communication	20
Appendix 1 – The MC.....	22
Appendix 2 - Five Year Forecast	24
Appendix 3 – Balance Sheet.....	26
Appendix 4 – Income and expenditure.....	27
Appendix 5 – Café projections	28
Appendix 6 - Cashflow	29
Appendix 7 – Year 1 projections by month.....	30
Appendix 8 - Depreciation	31

Executive Summary

1. Background and Current Situation

A growing population and no local shop creates an opportunity to establish a community owned shop and café. The former hospital site, with 300 new homes being built and a derelict walled garden in community ownership is an ideal site.

The Plunkett Foundation, who have supported more than 300 successful community owned shops have been advising us since day one. A community survey confirmed strong support from residents, parents with children at the adjacent school and those working at nearby businesses. Our successful application to have a local Post Office will be a major benefit for the success of the business.

2. Vision

To create a shop and cafe owned and run by the community, in order to provide a hub to bring together and foster community spirit in the Plumstead villages, while providing a link to the history of the site through the walled garden.

3. Social Returns

A facility where the whole community can come together creating an opportunity for social adhesion and reduced social isolation. A place to shop, meet, eat and drink, where everyone is welcome and feels part of what is going on.

It has been proved elsewhere that a community owned shop and café rapidly becomes a social hub, providing volunteering opportunities and alleviating social isolation. Our shop will also provide employment experience for vulnerable adults based at the nearby Broadland Clinic.

4. Legal Structure

Plumstead Community Shop Ltd (the Society) has been registered with the Financial Conduct Authority (FCA) as a Community Benefit Society (CBS), which is a legal and corporate body where any profits are used for the benefit of the wider community.

5. Management Structure

Plumstead Community Shop Ltd is managed by the MC according to FCA approved model rules. The responsibility of the MC is to engage in the Society's governance in the delivery of the project. The MC will step down at the first AGM and a new MC will be elected by the membership. Once trading, the shop and café will have a manager and assistant manager to run the day to day business and will report to the MC.

6. Market Research

Market Research has been undertaken into the Shop and Café as a potential business. Advice has been received from similar community owned shop businesses and from supporting bodies such as the Plunkett Foundation, of whom we are a member.

7. The Business

The Shop and Café will employ a full-time manager and assistant manager. Local volunteers will fulfil the remaining staff requirements. Our trading projections are based on evidence from other community businesses and our own market research. The business will run profitably and on a sustainable basis going forward.

	Year 1	Year 2	Year 3
Sales (Shop & café)	300,950	331,045	356,166
Purchases (Shop & café)	(213,044)	(234,600)	(252,252)
Post office commission	3,000	3,000	3,000
Wages & NI	(45,301)	(47,566)	(49,944)
Depreciation	(21,967)	(21,967)	(21,967)
Trading costs	(16,218)	(17,009)	(17,839)
Trading Profit	£7,420	£12,903	£17,164

We expect our opening hours will be:

- Monday to Saturday 0800 – 1800
- Sunday 1100 – 1600

8. The Share Offer

A community share issue will allow both local people and those with a connection with the village, to invest in the venture. We have obtained the Share Standard Mark and have applied to HMRC for advance assurance that investors will qualify for 50% SEIS tax relief. Our minimum target is £100,000 which we hope will be matched by Power to Change Community Share Boost to which we are applying.

9. Resource Implications

The project is based on raising sufficient capital from the community, local and national grant providers.

Paying a peppercorn rent to the Parish Council will help to greatly reduce our running costs. Sufficient volunteer staff members will allow convenient opening times whilst keeping staff costs low. 60% of respondents to our survey would be willing to volunteer in the running of our shop and café. As a community shop, we can access discounted services only available to community projects.

10. Timescale

Projected to open Summer/Autumn 2019.

11. Risks

Identifiable project risks, business risks and mitigation are shown in a table on page 19.

12. Communication

A dedicated Communications Sub-Committee was established from the outset to convey progress of the project with local residents through social media, our own website, parish newsletters and local leaflet distribution. Regular local meetings are also scheduled to be held to update the community on our progress.

1. Background and Current Situation

The last remaining local convenience store, which was located in Great Plumstead, finally closed its successful business in January 2016. The lack of a local convenience store in Great and Little Plumstead has meant 30-minute round trip car journeys to the larger supermarkets in Thorpe St Andrew and Sprowston. The nearest convenience store and Post Office is in Blofield Heath, which is still 3 miles away from the residents of Great Plumstead. The lack of this local convenience and a village hub has been keenly felt by most in the community. Now that the Village Shop and Post Office in Thorpe End has also closed, the need for a local facility is all the more urgent.

Social entrepreneur Robert Ashton saw the opportunity to establish a local shop that can provide work experience for local vulnerable adults. He won the support of Hertfordshire Partnership Foundation Trust, (HPFT) who run the Broadland Clinic close to the shop site, encouraged local residents to see the opportunity and involved the Plunkett Foundation.

As part of the planning conditions of recent development work at the former Little Plumstead Hospital Site by Cripps Developments Ltd, the Victorian Walled Garden was identified for community use. A parish survey was conducted to assess local appetite for the project which showed strong support for the community shop.

Advice was sought from the Plunkett Foundation, the Parish and District Councils. A questionnaire was then devised and sent out to the local community to complete and return or complete online ahead of the first public meeting held in April 2017 to announce the results of the survey.

From here the first Steering Group meeting was held in May 2017 which established a formal committee and sub-committees to start detailed work on the project, electing volunteers to take on specific roles.

We have sought advice and information from two community shops currently trading, and a community project at the point of starting its construction phase.

Having presented the project to the Parish Council, who will be gifted the freehold from Cripps Developments Ltd, they have agreed in principal to lease the walled garden to Plumstead Community Shop Ltd for an initial 20-year period at a peppercorn rent, for the benefit of the local community. This provides an invaluable opportunity for not only a much-needed local shop, but also a café and meeting place, providing a local hub, reinvigorating and bringing the Plumstead villages together as a community. We will once again have a Post Office in Little Plumstead!

In a prime location, the building will be approx. 225m² and be built with a brick plinth foundation wall and then timber framed with external wood cladding. An existing wall will provide a natural divide between the shop and café and become an interior feature. Our aspiration is to provide a building sympathetic to the Victorian Walled Garden. Roof lanterns will complement the Victorian look, providing a light and airy interior space. The shop floor retail space will be 100m² enabling an extensive range of products to be stocked.

The café area of approx. 60m² and a meeting room of about 20m² will provide covers for between 35 to 40 people. The café will extend into the garden with covered patio and an uncovered seating area for sunny days. The garden itself, which is now overgrown, will be regenerated. We plan to form a 'Friends of the Garden' group to oversee the coordination of planting schemes and design. We envisage a range of shrub and flower borders together with areas for growing fruit and vegetables. As a Victorian Garden we feel to place an emphasis on Heritage varieties as another way of keeping that link to the Gardens history. It will be a place to 'work', to sit and be, to enjoy.

As construction advances, it is our intention to carry out further market research to establish what lines of stock are required. We will also establish contacts with local produce suppliers.

2. Vision

Putting the Walled Garden Community Shop and Café at the heart of our Community.

To create a shop and café owned and run by the community, in order to provide a hub to bring together and foster community spirit in the Plumstead Villages, while providing a link to the history of the site through the walled garden.

- a meeting place that supports social interaction and is a source of information for the villagers
- outreach services which enhance quality of life and reduce social isolation
- shared learning and development opportunity
- a place of beauty; a garden to explore, develop and tend
- a shop that offers a range of essential products that the community needs
- an outlet for locally produced goods and services
- volunteers contributing to the shop, café and garden to deliver supportive services to the community
- an opportunity for younger residents to develop skills and experience, vital to obtain a first job

- provide valuable work experience to service users at the Broadland Clinic, helping them develop confidence and skills ahead of their return to the wider community
- an opportunity to grow food (fruit, vegetables, herbs) by and for the community.
- host community events, courses and activities throughout the year

3. Social Returns

Community- owned shops across the UK have been shown to build the sense of community and belonging that is so important to wellbeing.

The villages of Little Plumstead, Great Plumstead and Thorpe End all used to have their own village shop and Post Office facility, even when the communities were much smaller than they are today. Little Plumstead was first to close, followed by Great Plumstead and most recently Thorpe End. Recent and proposed future residential development have considerably expanded the local population and local business facilities have provided even more need for a local village hub to buy convenience items, have a coffee and maybe a cake and relax and socialise in the restored beauty of an historical walled garden. By creating a ‘Friends of the Garden’ group, we will be able to offer a range of diverse, interesting and community orientated features and events, such as fayres / fetes, afternoon teas, picnics and open-air recitals / plays, to name but a few.

The 2011 Census details the following population information for the Parish of Great and Little Plumstead (which also includes Thorpe End):

Total Population	Under 18	18-64	65+
3135	711	1888	536
% of Population	23	60	17

Since 2000, an additional 300 new houses have been built in the Parish and by the end of 2018 there will be a further 120. These are in the immediate vicinity of the walled garden which sits between Little Plumstead Primary School and the 800-year-old parish church.

Grant-makers in particular will be encouraged by the planned social impact of the community shop and café. Whilst supporting vulnerable adults is not the primary objective, the opportunity to do so gives the project another dimension and evidencing how we will do this will help to tip funding decisions in our favour.

It is important to note that vulnerable adult volunteers will be appropriately supervised and may work in the shop, café or community garden. The sponsoring organisations will accept responsibility for their safety and allaying concerns their involvement may raise.

4. Legal Structure

Under the Co-operative and Community Benefit Societies Act 2014, Plumstead Community Shop Ltd has been registered with the Financial Conduct Authority (FCA) as a Community Benefit Society (CBS). The Society exists in order to carry on business for the benefit of its members and the wider community. A CBS is a legal body very similar to a Co-operative. Assets owned by the Society are locked in the CBS and may only be used for the benefit of the community. All trading surpluses must be reinvested into the business, supporting share withdrawal applications and other community projects.

Community Benefit Societies are member owned organisations that seek to provide benefits for their community. The benefits of a larger membership include:

- having a larger number of people who have a financial interest in the running of the enterprise and who are more likely to use it regularly
- a greater number of people who attend AGMs and committee meetings and positively contribute to the overall direction of the business
- a more accessible pool of people to draw on when committee numbers are falling, or when more volunteers are needed to help run the business

Shares in the CBS will be offered to everyone aged 16 and over and members will have the chance to vote on all issues to do with the shop, cafe and garden, elect a new committee at the AGM and have a say in how the business is run.

Trading Profits will be either reinvested to maintain and improve our facilities, fund share withdrawals or support other community projects. Finally, if all community objectives are satisfied, the MC can, at its discretion, pay a modest interest to shareholders although it is not our current plan to do so.

5. Management Structure

The present MC is made up of 6 local residents, whose personal profiles are detailed in Appendix 1

The entire MC will:

- stand down completely at the first AGM, as obliged by the model rules. Individuals may offer themselves for re-election
- be selected by members' votes at the AGM each year. Any member can stand for election
- provide an annual report of activities and finances to all members and an annual return to the FCA
- provide monitoring information as required by any grant bodies

The MC is responsible for the governance of the society according to the rules and with various sub-committees, is taking the project forward through its initial stages. As the shop and café near completion, a manager and assistant manager will be appointed, who will be responsible for the day to day trading business and will report to the MC.

The MC is supported by a further 10 people who have been involved at various stages of the project, providing a wide breadth of experience and knowledge.

6. Market Research

Summary

Our primary targets are the local communities of Great Plumstead, Little Plumstead, Thorpe End, Plumstead Green and Witton, but we hope, through the provision of a café, to appeal to other surrounding villages as well, where this facility is not available. The Octagon Business Park opposite will also provide valuable customers.

Situated in a rural area, the location of The Walled Garden Community Shop and Café is right in the middle of a well-known circular walk and would, therefore, provide a convenient mid-way point to break off and seek refreshment for hikers and walking groups as there is no other pub or café on this route. It would also appeal to local cyclists who favour the roads and lanes locally because they are free of the heavy traffic of the major roads and dual carriageways and offer more pleasant rural surroundings.

With volunteer support, it will be possible to offer extended opening hours throughout the year. We hope to cater to a wide market and provide the convenience that is currently missing.

Research

Market Research has been undertaken into the Shop and Café as a potential business. Advice has been received from similar community owned shop businesses and from supporting bodies such as the Plunkett Foundation, of whom we are a member.

From the questionnaire sent to every household the response was:

- 56% said they would use the community shop 2 – 3 times a week
- a further 22% said they would use it at least once a week
- there were 55 offers of help from people willing to get involved

Survey results demonstrated that the majority of respondents currently have to travel 3 – 4 miles for their convenience shopping, due to lack of facilities in the village. The previous shop in Gt Plumstead, which closed in 2016, was successful but ceased to trade due to ill health of the owner. Since 2000 approximately 300 new houses have been built and a further 120 will be completed in the next 6 – 12 months. This development is immediately adjacent to the walled garden proposed shop and cafe.

If a new village shop was opened on the old hospital site in Little Plumstead would you or any member of your household use it?		
Answer Options	Response Percent	Response Count
Daily	16.9%	20
2-3 times a week	55.9%	66
Once a week	22.0%	26
Once a fortnight	2.5%	3
Occasionally	5.9%	7
Not at all	0.0%	0
<i>answered question</i>		118
<i>skipped question</i>		0

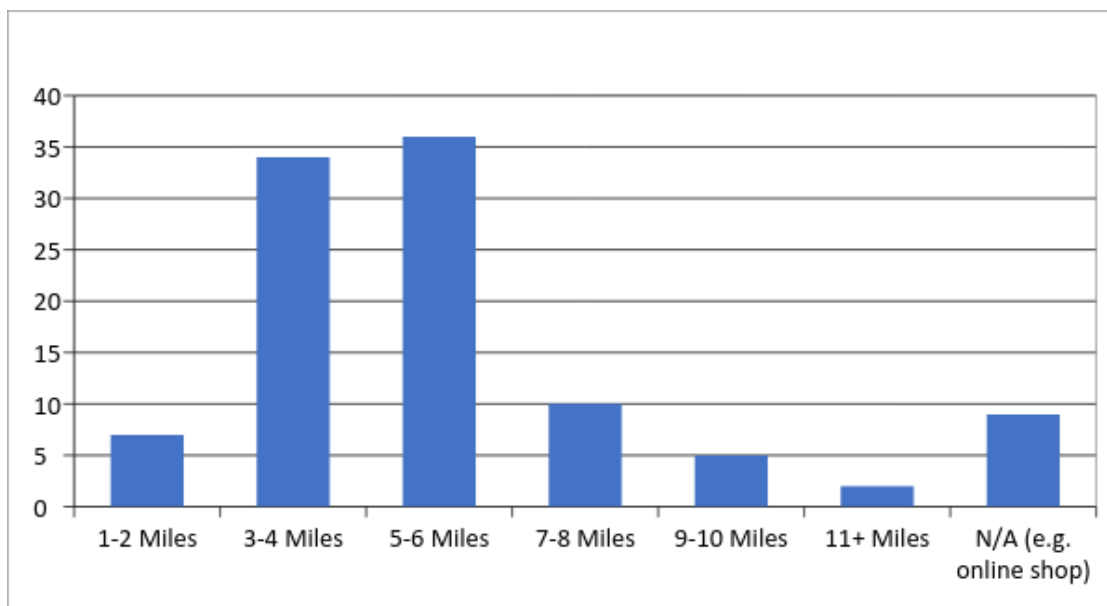
On a scale of 1 – 5 (where 1 is not important and 5 is very important), how important do you think it is to have a village shop in Little Plumstead?							
Answer Options	1	2	3	4	5	Rating Average	Response Count
	3	3	7	19	85	4.54	117
<i>answered question</i>							117
<i>skipped question</i>							1

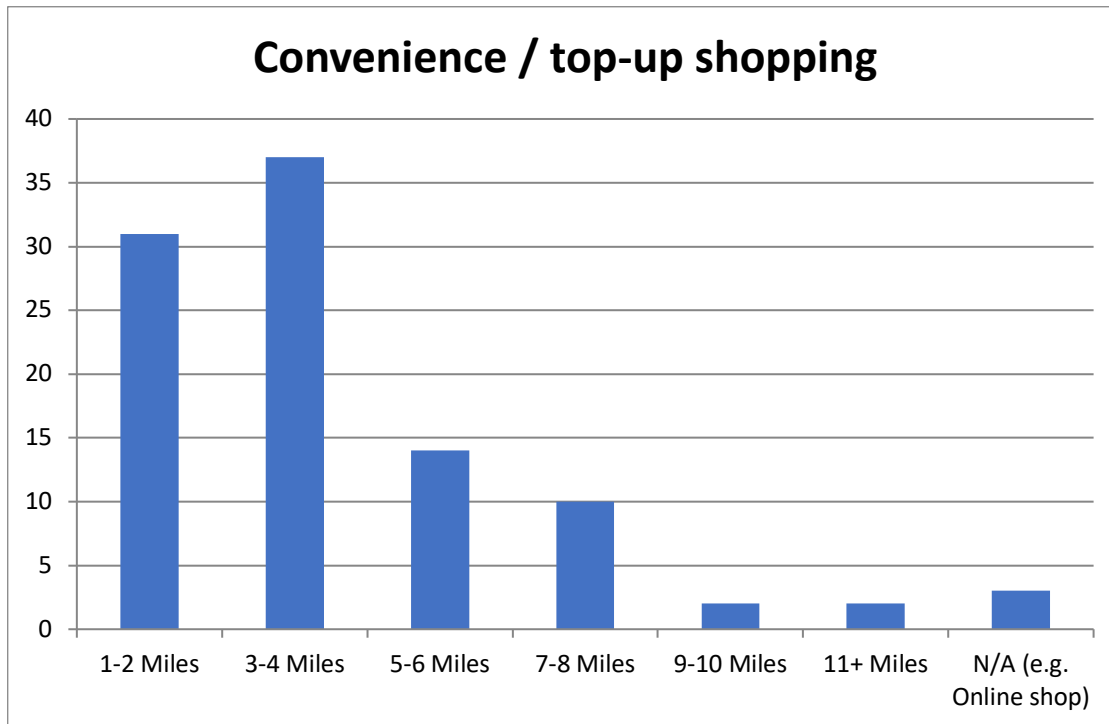
Would you or anyone in your household be interested in helping a community shop project in any way by:		
Answer Options	Response Percent	Response Count
Joining the steering group	15.6%	7
Helping with fundraising	24.4%	11
Providing professional advice/services and my profession/skills	22.2%	10
Be involved in running the shop/volunteering	60.0%	27
Making a donation	6.7%	3
Buying a share	28.9%	13
Making a loan	0.0%	0
<i>answered question</i>		45
<i>skipped question</i>		73

What products would you be most likely to buy?		
Answer Options	Response Percent	Response Count
Newspapers/magazines	51.3%	60
Ready meals	12.0%	14
Local Produce Frozen food	40.2%	47
Fresh fruit & vegetables	79.5%	93
Ready meals	6.8%	8
Meat and dairy	76.9%	90
Greeting cards/wrapping	50.4%	59

Pet food	22.2%	26
Sweets/ice cream	71.8%	84
Household goods	44.4%	52
Beers, wines & spirits	50.4%	59
Stationery	18.8%	22
Packed groceries - tins, packets	57.3%	67
Craft items	12.8%	15
Cigarettes/tobacco	13.7%	16
Gifts	14.5%	17
Cleaning materials	36.8%	43
Coal/logs	4.3%	5
Toiletries	38.5%	45
Sandwiches	26.5%	31
Organic/Fair Trade products	28.2%	33
Other (please list as many as you like below)	17.9%	21
	<i>answered question</i>	117
	<i>skipped question</i>	1

Main Weekly Shop





Competitors

We will offer a unique one-stop destination of shop, cafe and garden.

The Thorpe End Village Shop and Post Office has recently closed and although the neighbouring village of Blofield Heath has a convenience store and Post Office, it is located too far away for the majority of our local community to access on foot and therefore necessitates a 3-mile round trip car journey, as it is not on the local bus route. If people have to drive, they may as well drive that little bit further to one of the bigger supermarkets for the everyday essentials that they have run out of or forgotten to buy as part of their weekly shop.

There are tea shops and cafés at Thorpe End, Salhouse and Brundall which are all outside our catchment area.

The Brick Kilns Public House and Restaurant is within walking distance for many residents in Little Plumstead. As complementary businesses, we do not consider we will be in competition with them.

7. The Business

Shop and Café

We estimate that the total cost of building the shop and café, fitting out and stocking it, and starting the initial phase to regenerate the walled garden will cost £550,000. To date we have received budget costings from a local builder as outlined below and we will be seeking

formal tenders shortly. We plan to use a local builder and to make the building energy efficient and as low cost to run as possible. We also want to create an enjoyable shopping experience with a light and airy internal space. Stocking a range of everyday essentials and supporting local suppliers wherever possible, helping to reduce food miles. Reducing plastic packaging through bulk purchasing and refilling are options. Being community owned means, we have the flexibility to stock items and sell in any way that the community wants to support.

Construction of the shop and café	310,000
Kitchen servery and shop fittings	40,000
Car park and landscaping	30,000
Architect, survey and planning fees	36,000
Refurbish existing buildings	15,000
Arboreal and Remedial work	12,000
Renewables, solar, heat pump, rain collection	37,000
Opening stock	20,000
Working capital	25,000
Contingency	25,000
Total	£550,000

We anticipate this being raised from:

Shareholder Equity			
Community Share issue	Launching 27 July	125,000	
Potential equity investment by the Community Shares Booster Programme	An application may be considered for Pathway 3 of the programme.	0*	
Grant Providers			
Parish Council-Community Infrastructure Levy-contribution	Agreed in principal	60,000	
Hertfordshire Partnership Foundation Trust Grant	Agreed in Principal	60,000	
Rural Leader development Programme	Through first round. Full application 20/9/18	90,000	
Big Lottery reaching communities	Through first round. Full application in process	37,000	
Virgin Money	Application made, decision Sept.	50,000	
Broadland District Council	Capital grant application to be made	10,000	
Local Charitable Trusts	2 applications made	60,000	
Sport England Community asset fund	Expression of interest being made	60,000	

	Total	£552,000	
Operational Grant Support			
Princes Countryside Fund	Help with salaries and post build trading costs. Application made		50,000

**Budgeted at zero pending a detailed assessment of the programme and our eligibility*

It is essential that we have community support with our share issue, as winning grants depends on this. We will also put into place an overdraft facility or short-term loan to support cash flow as some grants require stages of the work to be completed to be able to draw down the grant.

If we are not successful in raising the £550,000 the project requires, then we will explore the possibility of downscaling the project. We will consider building the shop only, in its current proposed position, and build the café later when funds allow or through a later second share issue. Our existing design could be modified to just build the shop whilst retaining all the other positive aspects mentioned including a Post Office.

The Shop and Café will employ a full-time manager and an assistant manager. Local volunteers not only fulfil the remaining staff requirements but also form the core of a loyal customer base going forward.

Our trading projections are based on well-documented and proven evidence from other community businesses and our own market research. Looking at other community shops in East Anglia, Rocklands Community Shop has a community of 280 homes and had a turnover of £241,000 in 2017. Great Rybrough has a catchment of 270 houses and had a turnover of £169,000 in 2017.

We plan to have more retail selling space than both of these two examples as “enough space” is also an issue. Our Parish has 1000 homes in Great and Little Plumstead and an additional 500 in Thorpe End Green. Other community shops have told us that a reasonable assumption is that 50% of households in a catchment area will spend around £10 per week. Based on this we have conservatively forecast a first-year turnover of £260,000 covering Great and Little Plumstead only (500 households using the shop).

For the café, our projections are based on serving 30 customers per day with a typical transaction price of £3.75 per customer, showing sales in the first year of £40,950.

Of 300 community shops that have been opened in the last 10 years, none have failed and there is strong evidence that community ownership, with its volunteer support and engagement, is a successful business model. We feel that our successful application for a local Post Office will be a big help in increasing general turnover. The business is forecast to run profitably and on a sustainable basis going forward.

We will make a modest profit in each of the first three years.

	Year 1	Year 2	Year 3
Sales (Shop & café)	300,950	331,045	356,166
Purchases (Shop & café)	(213,044)	(234,600)	(252,252)
Post office commission	3,000	3,000	3,000
Wages & NI	(45,301)	(47,566)	(49,944)
Depreciation	(21,967)	(21,967)	(21,967)
Trading costs	(16,218)	(17,009)	(17,839)
Trading Profit	£7,420	£12,903	£17,164

Our 5-year trading projections and cash flow figures are shown in Appendix 2. At the absolute discretion of the MC, any share capital withdrawal would take place from year 4 onwards and would be funded from accumulated reserves. The MC intends to limit withdrawals to no more than 10% of share capital within each financial year.

8. The Share Offer

The community will all be able to become members of the Society and have a vote through purchasing shares.

Rocklands community shop raised £45,000 from their share offer and a community of 280 homes. Shouldham Village raised £150,000 to buy their pub from 246 homes. The Plumsteads have more than 1,000 homes so it should be possible to raise at least £100,000 from a community share issue.

The Plunkett Foundation and Power to change have supported us in writing a community share offer prospectus that meets the Community Share Standard mark.

In addition, the MC is applying to HMRC for advance assurance that this share offer meets the requirements of the Seed Enterprise Investment Scheme (SEIS)¹.

Under this scheme, investors may be able to claim the following tax benefits:

- **Investors can obtain 50% relief** for income tax on the cost of shares, on a maximum annual investment of £100,000
- **Loss relief** - Should the company go bankrupt, investors may claim loss relief on their investment and can choose to set the loss amount, less any income tax relief already given, against their income.
- **100% inheritance tax relief** (provided the investments have been held for at least two years at time of death).

¹ HMRC offer various tax relief schemes for social investments of which SEIS is the most advantageous. In the event that the Society is not able to apply for SEIS we would then apply for SISR which provides 30% tax relief.

Under the scheme, investors will be able to claim 50% income tax relief on their share purchase. This is regardless of the rate of tax they pay, providing they have paid sufficient tax to cover the amount being reclaimed.

This can include both tax paid in the year in which the investment is made and the preceding year. The business has to trade for four months before a formal application for qualification for the relief can be made by the business. The relevant form will then be provided, enabling you to make the appropriate claim to HMRC for tax relief at that time.

For further details of SEIS tax reliefs, you should read the HMRC guidance and you should take independent tax advice.

Please note that although we have applied for advance assurance, the amount of tax relief if any, cannot be guaranteed by the Society.

The target sum to raise via a share issue is £125,000 with a maximum of £150,000. The share issue needs to reach at least £100,000 before the Society will consider it a success and we can accept up to £150,000 in total. Should the Society only reach £100,000 then we may have to consider a small business loan to be able to open the shop – as long as the grants are achieved. Continuing local fundraising efforts during 2018 are also a potential source of funds. In the event of the share offer exceeding £150,000, all those applying for 1,000 shares or less would receive the full amount applied for while the remaining applications would be scaled back in proportion and money refunded to ensure the maximum target was not exceeded.

The MC have received and made pledges to purchase £19,950 worth of shares. In addition to this, there are many more prospective investors who have informally indicated their intention to invest in the business.

A recent representative village survey showed that of those polled, just under 30% would consider buying shares. The community of the Plumsteads, Thorpe End and neighbouring hamlets consists of over 3,000 people, with an additional 120 houses scheduled to be built in 2018 in close proximity to the proposed shop site. As noted earlier, looking at two other Norfolk community projects, Rocklands Community Shop were able to raise £45,000 from their share offer and a community of 280 homes. Shouldham Village raised £150,000 to buy their pub from 246 homes. The Plumsteads have more than 1,000 homes so in setting a minimum target of £100,000, the MC have taken an informed and conservative view for the community share offer.

9. Resource Implications

The success of the project will rely on fundraising from national and local grant providers, investment from the Parish Council and HPFT (Broadland Clinic) and our community share offer.

As the success of the venture relies upon sufficient volunteer staff members to provide convenient opening times, engaging and sourcing enthusiastic volunteers is one priority, the other is to retain these vital volunteers. The Plunkett Foundation have a wealth of experience in this area and hold regular events on how to attract and engage volunteers. We are also fortunate in that so many local residents have already offered their services and with the community expanding this is likely to increase further. The more volunteers we can attract, the less hours they need to commit and the more likely we are to retain their services.

Employing a full-time manager and assistant manager is a model of operation that has proved successful in other community shops that the committee has visited. Having a paid manager has been proven to enable better use and retention of volunteers. Through training in using the till system, food safety, health and safety and age-related sales, volunteers are more likely to feel valued members of the team and crucial to the vital operation of the business.

Being able to negotiate good terms on the stock is also vital to the success and sustainability of the business. Being a community shop means we will be able to access discounted services only available to community projects. The Co-op has already offered free advice, whenever required, and favourable wholesale terms on produce too. We are also very keen to source local produce to support local businesses and reduce food miles, wherever possible on a sale or return basis.

10. Timescale

Having agreed in principal at the 8th January 2018 meeting to lease the walled garden to the Plumstead Community Shop Ltd, the Parish Council expect the legal paperwork required for the transfer of the freehold to be completed by the Autumn of 2018. We expect to have a lease in place shortly afterwards. We hope to complete our fundraising phase by Autumn 2018 and for the build to start in Spring 2019 with a completion forecast of six months. The shop and café could be ready to stock and open for business in the Summer/Autumn of 2019.

11. Risks

Risk	Mitigation
Unforeseen increases in construction costs prior to opening	The building sub-committee has thoroughly investigated the construction costs and adopted a risk averse costing strategy to minimise the dangers of cost overrun.
Inadequate funding, i.e. failure to raise sufficient capital at the outset	The capital requirements have been carefully identified and work on the project will only commence when sufficient capital has been raised.
Dependency on a volunteer workforce	The Shop will have a salaried manager and at least one further paid member of staff. We now have over 50 residents who have said they would volunteer in the shop or café.
Theft or damage & vandalism	This is not considered a high risk, but nevertheless the Shop will take the usual security precautions to minimise risk in these areas.
Our Parish might not be large enough	Our own detailed investigations and the Plunkett Foundation's comprehensive reports show existing community shops can profitably service communities that are smaller than ours.
There may be too much competition from existing shops in the area	The nearest large supermarket is a 12-mile round trip. The nearest local shop is a 3-mile round trip.
There may not be enough footfall.	The proposed site is ideally located to attract maximum footfall from local residents and within easy walking distance for the majority of the community. It is adjacent to village's thriving primary school which is due to double its capacity in 2019.
Parking may be a problem at the proposed location	The central locality of the Shop means that many residents will be able walk/bicycle to the shop. Seven on-site car parking spaces plus a small car park 100mts away will provide ample parking to meet trading forecasts.
Recruiting and retaining the Shop manager	We believe our proposed salary, which is higher than many other community shops should enable us to attract a suitable candidate, excited by the opportunity of opening and operating an attractive community centre.
The Shop may not attract enough volunteers	Currently there are over 50 people who have registered their interest in volunteering and we expect this to grow when the construction is nearing completion.

<p>Sales do not meet plans and/or profits are below expectation</p>	<ul style="list-style-type: none"> • changing the mix of goods and services on offer to those with higher margins and with greater demand • improving marketing to bring more customers into the shop eg through focus groups to identify problems, surveys, and increased understanding of our customers • promotional campaigns to bring in new customers and increase spend from existing customers • replacing the full time paid manager
--	---

12. Communication

The process of community engagement commenced in February 2017. In the first few months our campaign focused on consolidating and building community support for the project and membership of the steering group. Questionnaires and flyers were distributed to every household in both villages, as well as local businesses in the Parish. These were subsequently followed up with a public meeting at the local primary school to inform the community and encourage their further support for the project.

A communications sub-committee was formed from the MC and they have established a dedicated Facebook page, Twitter and Instagram accounts as well as a website for the Walled Garden Community Shop and Café.

The Facebook page has already had over 260 likes and is growing with each new post. A growing database of people have registered their details to be kept up to date via our mailing list, providing a contact database for future advertising of special events and promotional offers.

Monthly updates have been provided to the Parish Newsletter as well as updates to the local media as various milestones are reached. Further public meetings will be held as progress continues.

We plan to offer a loyalty scheme to generate regular customer support and repeat business once the shop and café is up and running as well as holding promotions and tastings to keep interest strong. Community events in the Walled Garden will also provide additional trade.

Leaflet and advertising updates are being planned throughout the Spring and Summer culminating in our community share launch at the end of July. The launch will be promoted with a party on Norfolk Day where we will have a BBQ, live music, a bar and children's events. During the six- week offer period we will run drop- in sessions for information and to answer questions.

We have a growing stakeholder base which includes Great and Little Plumstead Parish Council, Broadland District Council, Norfolk County Council, Hertfordshire Partnership Foundation Trust, Little Plumstead Church of England Primary School, The Octagon Business Park, Nelsons Journey, Broadland Clinic, Norfolk Pro Help, Norfolk Community Foundation and a local charitable trust.

Appendix 1 – The Management Committee

Adrian Nagle – Chair

Adrian spent his first 20 working years in the commercial world working with major overseas retailers and importers in a multi-million-pound business. For a brief period, he had his own small business; designing, importing and marketing a range of handmade terracotta pottery from Portugal. For the last 20 years he has travelled with his partner, living and working overseas (mostly property and garden maintenance). He has experienced a diverse range of communities in a variety of environments. His last major stop was on the edge of wilderness in Northern British Columbia, Canada. He also lived in a community group in Norfolk for a year. He says he has been drawn to the project because it has community at its heart and has a vision of the walled garden becoming a place of beauty, well-being and community for all, plus good coffee!

Vicki Aiken - Communications and Marketing

Vicki works as an Occupational Therapist at the Little Plumstead Learning Disability hospital and has ten years' experience in the NHS.

Vicki's work includes assisting her patients to improve their life skills towards living in the community and find meaningful opportunities which improve their quality of life, including college and work. Vicki has considerable experience running social media and marketing for social organisations and organised a successful conference in 2017.

Louise Amond - The Walled Garden

Louise was born in Little Plumstead and has worked at Little Plumstead Hospital for 28 years supporting patients with a range of disabilities engage in occupation, learning and therapies. Louise fondly remembers The Walled Garden in its former glory as a space for people to work and relax in.

Along with her husband she has extended and renovated their house and garden and enjoys making and up-cycling furniture and other fixtures. Louise is a keen gardener and is probably happiest being outside growing fruit and vegetables for her kitchen table.

She adds "The project combines both my interests: restoration and growing fruit and vegetables, it's the perfect thing to be involved in"

Ellie Edgar - Secretary

Ellie has lived in the area for over 30 years. She started working at Little Plumstead Hospital at the beginning of 1998, when the formal Resettlement Process of the patients had just begun – one ward had closed. She was secretary to the Site Manager at the time so was very involved in the running of the site. Eventually, her manager was transferred to the new service as Business Manager and Ellie went with him. Norfolk Learning Difficulties Service was set up jointly between Norfolk Social Services and Norfolk Primary Care Trust to look after the residents who had moved into the community. When her manager retired, the post was transferred to Norfolk County Council.

Hertfordshire Partnership Foundation Trust took over the service that remained at Little Plumstead in April 2008, when she returned as PA to the Service Manager.

During the time she has worked in the Little Plumstead area, two local shops have closed, one of which was also the Post Office. The Post Office has also recently closed in Thorpe End. I was very pleased when I heard the Walled Garden here was hopefully going to be developed as a few years ago, when it was still part of the site, it was beautiful.

Ellie was also secretary to the Blofield and Brundall Sea Scout Group when her sons were growing up where she helped with fundraising.

Debbie Tomkins - Treasurer

Debbie has an accountancy background and latterly worked as a Company Secretary for a listed plc. She is passionate about wildlife conservation and is a regular volunteer at a local RSPB reserve, helping to run events and providing reception cover and office assistance. Debbie and her husband moved to Little Plumstead in 2001, loving the rural feel of the village whilst only being a short drive from Norwich. She is delighted to be involved with the project to create a special and unique place in the community that will not only provide a much-needed local service but has the potential to facilitate other opportunities.

James Richards - Project Manager

James is a business and IT management consultant, who having studied business information systems and later a post graduate award on business leadership, now specialises in portfolio and programme management. James has worked in various business sectors including financial services, critical national infrastructure and construction. He says the local community needs this hub and access to essential services and is excited to lend his experience to the project and be part of the team.

Appendix 2 - Five Year Forecast

Five Year Forecast					
	Year 1	Year 2	Year 3	Year 4	Year 5
Income					
Retail Sales (excluding VAT)	260000	286000	307450	322823	338964
Less					
Cost Of Sales (excluding VAT)	205400	225940	242886	255030	267781
Gross Profit (retail sales)	54600	60060	64564	67793	71183
Café Sales (excluding VAT)	40950	45045	48716	53710	59215
Less					
Cost Of Sales (excluding VAT)	7644	8661	9366	10327	11385
Gross Profit (café)	33306	36384	39350	43383	47830
GROSS PROFIT (retail sales & café)	87906	96444	103914	111176	119013
Post Office Commission	3000	3000	3000	3000	3000
TOTAL INCOME	90906	99444	106914	114176	122013
Expenditure					
Retail Staff Costs	45301	47566	49944	52441	55064
Indirect costs					
Bus rates, Council Tax	1292	1357	1424	1496	1570
Water (B)	580	609	639	671	705
Heat/Light/Power	3000	3150	3308	3473	3647
Waste disposal	600	630	662	695	729
Equipment Lease Payments	2136	2243	2355	2473	2596
Insurances	470	494	518	544	571
Audit fees	1600	1680	1764	1852	1945
Professional Fees	800	840	882	926	972
Property Service and Maintenance Charges	500	525	551	579	608
Renewals and repairs	400	400	400	400	400
Security Costs, including maintenance & service	600	630	662	695	729
Telephone/internet	440	462	485	509	535
Uniforms	300	315	331	347	365
Advertising and Promotions	600	630	662	695	729

Bank charges	400	420	441	463	486
Cleaning	100	105	110	116	122
Computer costs / website	1200	1260	1323	1389	1459
Postage and Stationery	300	315	331	347	365
Miscellaneous	500	525	551	579	608
Depreciation	21967	21967	21967	21967	21967
Licences	100	105	110	116	122
Subscriptions	300	315	331	347	365
Sub Total	38185	38976	39806	40678	41594
TOTAL EXPENDITURE	83486	86542	89751	93120	96657
Net Profit before tax	£7420	£12903	£17164	£21056	£25355

Appendix 3 – Balance Sheet

	Pre-opening	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed assets	£	£	£	£	£	£
Buildings	428,000	428,000	428,000	428,000	428,000	428,000
Ground source and solar	37,000	37,000	37,000	37,000	37,000	37,000
Fixtures & fittings	40,000	40,000	40,000	40,000	40,000	40,000
Accumulated depreciation	0	(21,967)	(43,933)	(65,900)	(87,867)	(109,833)
Total fixed assets	505,000	483,033	461,067	439,100	417,133	395,167
Current assets						
Stock	20,000	20,000	20,000	20,000	20,000	20,000
Debtors	-	250	250	250	250	250
Cash	25,000	54,137	89,007	128,137	171,160	218,482
Total current assets	45,000	74,387	109,257	148,387	191,410	238,732
Creditors: amounts falling due within one year	-	-	-	-	-	-
Net current assets	45,000	74,387	109,257	148,387	191,410	238,732
Total assets less current liabilities	550,000	557,420	570,323	587,487	608,543	633,898
Loans	-	-	-	-	-	-
Creditors: amounts falling due after more than one year	-	-	-	-	-	-
Total net assets (liabilities)	550,000	557,420	570,323	587,487	608,543	633,898
Capital & reserves						
Grants	425,000	425,000	425,000	425,000	425,000	425,000
Withdrawable community shares	125,000	125,000	125,000	125,000	125,000	125,000
Reserves (distributable profits)	-	7,420	20,323	37,487	58,543	83,898
Total reserves	550,000	557,420	570,323	587,487	608,543	633,898

Appendix 4 – Income and expenditure

Projected Income and expenditure							
			Year 1	Year 2	Year 3	Year 4	Year 5
			£	£	£	£	£
Shop							
Sales (ex vat)			260,000	286,000	307,450	322,823	338,964
Cost of sales (ex vat)			205,400	225,940	242,886	255,030	267,781
Gross profit - Shop			54,600	60,060	64,564	67,793	71,183
Gross margin %			21.0%	21.0%	21.0%	21.0%	21.0%
Café							
Sales (ex vat)			40,950	45,045	48,716	53,710	59,215
Purchases (ex vat)			7,644	8,661	9,366	10,327	11,385
Gross profit - Café			33,306	36,384	39,350	43,383	47,830
Gross margin %			81.3%	80.8%	80.8%	80.8%	80.8%
Post office commission			3,000	3,000	3,000	3,000	3,000
Depreciation			21,967	21,967	21,967	21,967	21,967
Wages & NI			45,301	47,566	49,944	52,441	55,064
Trading costs			16,218	17,009	17,839	18,711	19,627
Trading profit			7,420	12,903	17,164	21,056	25,355
Assumptions							
Increase in shop sales (volume & price)				10.0%	7.5%	5.0%	5.0%
Increase in wages & NI				5.0%	5.0%	5.0%	5.0%
Increase/(decrease) in trading costs				5.0%	5.0%	5.0%	5.0%
Notes							
1. Mark-up & margins maintained on shop sales							
2. See separate sheet for café projections							
3. Depreciation – see separate sheet							

Appendix 5 – Café projections

Café projections:					
Coffee					
Assumed starting position for year 1 is 30 cups per day @ £2.50 per cup					
	Year 1	Year 2	Year 3	Year 4	Year 5
No of cups per annum	10,920	12,012	12,613	13,243	13,905
Price £	2.5	2.5	2.6	2.7	2.8
Income £	27,300	30,030	32,477	35,806	39,477
Cost per cup	0.4	0.41	0.42	0.45	0.47
Cost £	4,368	4,949	5,352	5,901	6,506
Gross profit £	22,932	25,081	27,125	29,905	32,971
Food					
Assumed starting position is that 50% of the coffee buyers will spend £2.50 on food (cake, scone etc)					
	Year 1	Year 2	Year 3	Year 4	Year 5
No of food purchases	5,460	6,006	6,306	6,622	6,953
Price £	2.5	2.5	2.6	2.7	2.8
Income £	13,650	15,015	16,239	17,903	19,738
Cost per food purchase £	0.6	0.62	0.64	0.67	0.70
Cost: £	3,276	3,712	4,014	4,426	4,879
Gross profit £	10,374	11,303	12,225	13,478	14,859
Total					
Income £	40,950	45,045	48,716	53,710	59,215
Cost £	7,644	8,661	9,366	10,327	11,385
Gross profit £	33,306	36,384	39,350	43,383	47,830
Variables (applied to coffee and food)					
% increase (volume)	0	10%	5%	5%	5%
% increase (sales price)	0	0	3%	5%	5%
% increase (cost)	0	3%	3%	5%	5%

Appendix 6 - Cashflow

Projected cashflow							
	Pre-opening		Year 1	Year 2	Year 3	Year 4	Year 5
			£	£	£	£	£
Shop sales inc vat			273,000	300,300	322,823	338,964	355,912
Café sales inc vat			49,140	54,054	58,459	64,451	71,058
Post office commission			2,750	3,000	3,000	3,000	3,000
Funding (grant or loan)	425,000						
Shares	125,000						
Purchases inc vat	20,000		215,670	237,237	255,030	267,781	281,170
Café purchases inc vat			9,173	10,393	11,240	12,392	13,662
Building & other fixed assets	505,000						
Wages (NI & PAYE)	-		45,301	47,566	49,944	52,441	55,064
Trading costs (inc vat)			19,203	20,139	21,122	22,154	23,238
Vat	-		6,406	7,149	7,815	8,623	9,514
Movement in creditors	-		-	-	-	-	-
Cash inflow/(outflow)	25,000		29,137	34,869	39,131	43,023	47,322
Opening cash balance	-		25,000	54,137	89,007	128,137	171,160
Cash inflow/(outflow)	25,000		29,137	34,869	39,131	43,023	47,322
Closing cash balance	25,000		54,137	89,007	128,137	171,160	218,482

Appendix 7 – Year 1 projections by month

The Walled Garden Projected Income and Expenditure for Year 1

		Year 1													
		Sep19 - Mar20	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	
		£	£	£	£	£	£	£	£	£	£	£	£	£	
Shop															
Sales	ex vat	260,000	18,000	18,000	20,000	20,000	19,000	21,000	22,000	24,000	24,000	24,000	25,000	25,000	
Cost of sales	ex vat	205,400	14,220	14,220	15,800	15,800	15,010	16,590	17,380	18,960	18,960	18,960	19,750	19,750	
Gross profit - Shop		54,600	3,780	3,780	4,200	4,200	3,990	4,410	4,620	5,040	5,040	5,040	5,250	5,250	
Gross margin %		21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	
Café															
Sales	ex vat	40,950	3,000	3,000	3,375	2,531	3,000	3,544	3,750	3,750	3,750	3,750	3,750	3,750	
Cost of sales	ex vat	7,644	560	560	630	473	560	662	700	700	700	700	700	700	
Gross profit - Café		33,306	2,440	2,440	2,745	2,059	2,440	2,882	3,050	3,050	3,050	3,050	3,050	3,050	
Gross margin %		81.3%	81.3%	81.3%	81.3%	81.3%	81.3%	81.3%	81.3%	81.3%	81.3%	81.3%	81.3%	81.3%	
Post office commission	ex vat	3000	250	250	250	250	250	250	250	250	250	250	250	250	
Depreciation		21,967	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	
Wages & NI		45,301	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	
Trading costs:	ex vat	16,218	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	
Trading profit		7,420	(487)	(487)	238	(448)	(277)	585	963	1,383	1,383	1,383	1,593	1,593	
Assumptions:															
1. First 2 or 3 months are lower as trade builds but allow for post-opening interest.															
2. Only 3 weeks of trade in December due to build up to xmas (big supermarket shops/City shopping) and xmas holidays but increased trade in those weeks															
3. Dip in January due to post-xmas gap in wages / people using up xmas surplus															
4. Peak months for cafe are July and August - the holiday period															

The Walled Garden Projected Cashflow for Year 1

		Pre-opening	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	
		£	£	£	£	£	£	£	£	£	£	£	£	£	
Shop sales inc vat			18,900	18,900	21,000	21,000	19,950	22,050	23,100	25,200	25,200	25,200	26,250	26,250	
Café sales inc vat			3,600	3,600	4,050	3,038	3,600	4,253	4,500	4,500	4,500	4,500	4,500	4,500	
Post office commission			-	250	250	250	250	250	250	250	250	250	250	250	
Funding (grant or loan)		425,000													
Shares		125,000													
Purchases inc vat		20,000	14,931	14,931	16,590	16,590	15,761	17,420	18,249	19,908	19,908	19,908	20,738	20,738	
Café purchases inc vat			672	672	756	567	672	794	840	840	840	840	840	840	
Building & other fixed assets		505,000													
Wages(NI & Paye)		-	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775	
Trading costs			1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	
Vat		-	428	428	510	373	439	548	592	613	613	613	624	624	
Loan repayments		-													
Movement in creditors		-													
Cash inflow/(outflow)		25,000	1,093	1,343	2,068	1,382	1,553	2,416	2,793	3,213	3,213	3,213	3,423	3,423	
Opening cash balance		-	25,000	26,093	27,437	29,505	30,887	32,441	34,857	37,650	40,863	44,077	47,290	50,714	
Cash inflow/(outflow)		25,000	1,093	1,343	2,068	1,382	1,553	2,416	2,793	3,213	3,213	3,213	3,423	3,423	
Closing cash balance		25,000	26,093	27,437	29,505	30,887	32,441	34,857	37,650	40,863	44,077	47,290	50,714	54,137	
Assumptions															
1. Post office commission is paid monthly in arrears, hence zero for April 2019															
2. Assume vat paid on monthly accounting scheme, however may be done on quarterly basis and prior to commencement of trade															
3. For simplicity, the cost of sales has been used for the cashflow of purchases (see lines 12 and 13 above). In practice the cashflow will be for stock for future months sales.															

Appendix 8 - Depreciation

Assumptions					
Buildings depreciated over 30 years					
Ground source and solar depreciated over 10 years					
Fixtures & Fittings over 10 years					
Assets	Cost £				Annual depn £
Building	428,000	30	years straight line		14,267
Ground source & solar	37,000	10	years straight line		3,700
F&F	40,000	10	years straight line		4,000
Total depreciation					21,967