

community
enterprise

Business Plan

**Business Plan for the Asset Development of
Lockerbie Old School as a Community Hub**

June 2019

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Executive Summary

Background and Context

Lockerbie is located approximately 70 miles from Glasgow, 12 miles from Dumfries and 20 miles from the English border. The town has good transport links north and south via the adjacent M74 and a regular direct rail service as part of the West Coast Mainline. These good transport links have been a factor in attracting people to the town, which has seen population growth of 4.7% between 2001 and 2011. It is recognised that many people who live in Lockerbie, particularly newer residents, commute to work elsewhere but these same transport links can be used to bring visitors to the town.

The Victorian former Dryfesdale Old School building, known as the Old School, has been at the heart of the local community in Lockerbie for over 140 years. In 2010 the Council declared the building “surplus to requirements” and it has stood shuttered and vacant since then.

A public meeting in 2013 identified positive interest in developing the Old School as a community asset to create the vibrant community space lacking in Lockerbie. A group of local people came together to drive this project forward, formalising the group into the Lockerbie Old School Community Hub in July 2014, referred to as LOS throughout this document.

The organisation commissioned a full feasibility study in 2016. The findings of that broad reaching community consultation and market research are contained in this document and the conclusion was that a community capital project was needed and viable, but that the entire building and site was too large and expensive to upgrade without phasing. As a result further thinking took place within the community. A smaller piece of strategic work was commissioned in 2018 followed by further research and technical design work in 2019 to agree a phase one proposal. That is the plan that is outlined in this document presenting a fundable, viable case for the most important development to meet community needs.

The Project Vision, Services and Facilities

The Old School building presents an opportunity to create a new community facility providing space for a wide range of activities delivering employment, volunteering opportunities and educational and social opportunities for the people of Lockerbie.

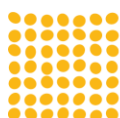
Some of the site will be shored up and mothballed with a focus on one element of the building. The aspiration is to create a multi-use facility for the town to include:

- space for community and social activities
- A soft play area with small café and party space
- space for small business and third sector meetings, hot desking and offices
- space for learning, particularly with early potential for hosting a training hairdressing and beauty salon in partnership with Dumfries & Galloway College.

Methodology

Community based asset development is seeing substantial political and funding support but can also be a very risky and onerous undertaking for a community-based voluntary organisation. There was therefore a need to consider the fundability, viability and feasibility of this idea in detail and from an objective perspective to ensure that the project is viable and that a strong business case can be made to support the idea. The following research methods were used for the production of the options’ appraisal and this business plan:

- Research to gather information showing the economic and social profile of the area; evidence of particular areas of deprivation; the policy context; and case studies of other similar projects.



- Consultation programme and community research to maximise involvement from local people, potential customers and key stakeholders. This included an open facilitated public session; a community survey and a series of interviews with potential users and stakeholders.
- Competitor analysis and market research into community facilities and activities in Lockerbie, and commercial and office demand in the area.
- Project requirements in terms of governance structure and Board capacity and potential funding sources.

The options have been regularly and fully considered and discussed with LOS Board. The business case has been prepared based on these discussions and the Board's preferred options. It sets out the services to be delivered, the business model for delivering them, outline resource and accommodation requirements and the funding and financial model for the project. This business plan was put together to deliver the first phase of the project. It should be pointed out that, though there is an aspiration for future phases, if none of them are possible, this is a stand-alone viable proposal.

Management and Staffing

The intention is to keep running costs to a minimum. It is intended that the following is the staffing complement which will only be increased if required and if income is there to cover additional staff costs. Initial staffing will consist of:

- One full-time Facilities Manager responsible for overall management of the Old School, business development and marketing, staff supervision, financial management, volunteer management, and liaison and reporting to the Board.
- A part time cleaner and caretaker to cover the opening and closing of the facility, room set up, cleaning and maintenance and operational smooth running of the facility.
- One full time Soft Play manager with sessional assistants to support the café, soft play and parties.
- A pool of volunteers to man reception, provide a warm welcome and information, and help with various activities.

Cunningham Housing Association, the local registered social landlord has offered a supportive strategic partnership to the organisation. This will be needs led and can range from capital project support to HR and legal services to strengthen the organisation as it grows.

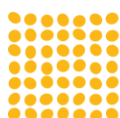
The Building

Lockerbie Old School is a huge old traditional school building, built in 1875. It served as a school for many years until the primary school relocated. The school building was used as the headquarters for the investigation of the Lockerbie bombing in 1988. It was then used by the Council as a local office, housing various services until 2010 when it was declared surplus to requirements.

The group started with the aim of saving the building as it is a local landmark. The aim is still to preserve the building but only if it is feasible and useful, not for its own sake. The key requirement is that the community hub meets specific local needs and can be financially sustainable.

Initial work by John Gilbert Architects in 2016 drew attention to the building defects noted in the sketches in their technical report, mainly water damage and rotting window frames, but the report considered that overall the Old School building can be largely retained. They outlined four options for redevelopment of the Old School. It was clear that developing out the entire site in one phase was risky and expensive and not backed up with enough evidence of demand. Further research was undertaken in 2019 which has led to the phased approach being taken now and the preferred element of the building is set out in the second technical report.

Outcomes



The key outcomes that the group wants to address in phase one are:

- Better community cohesion and reduced social isolation
- Addressing disadvantage through learning, and enterprise development: hosting small businesses and community groups
- Creating local opportunities for children and families in a soft play area

Financial viability

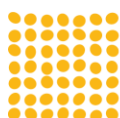
Income will be generated from:

- room, workshop and space hire
- soft play area with associated café and parties
- If potential to host a training salon is realised; the College being the anchor tenant operating their salon from the premises. Additional core tenants including a day care offering and Annandale Community Transport are also committed

The cash flows show that, with good anchor tenants and a strong community base producing the projected occupancy and usage rates from early on, and a soft play enterprise, this is a sustainable project which goes forward with no grant subsidy from year 4. Year 3 shows a break even position though a small grant allowance has been included for safety. The surplus for year 4 with no grants is £15,020 that can be re-invested back into the facility and used to fund LOS's other charitable activities.

A summary of the financial growth can be seen below;

	Year 1	Year 2	Year 3	Year 4	Totals
Income					
Trading	£88,033	£117,895	£124,548	£148,578	£479,054
Grants and fundraising	£40,000	£20,000	£10,000	£0	£70,000
Total	£128,033	£137,895	£134,548	£148,578	£549,054
% of trading to grants	69%	85%	93%		
Expenditure	£116,105	£126,341	£129,039	£133,558	£505,042
Surplus / Deficit	£11,928	£11,555	£5,509	£15,020	£44,012
Building reserve	£11,928	£23,482	£28,992	£44,012	



1 Introduction and Background

1.1 Operating Context

Dumfries and Galloway is a largely rural, sparsely populated area, characterised by small settlements of 4,000 people or less, with one third of people living in settlements with less than 500 people.

Lockerbie is located approximately 70 miles from Glasgow, 12 miles from Dumfries and 20 miles from the English border. The town has good transport links north and south via the adjacent M74 and a regular direct rail service as part of the West Coast Mainline. It is also well-connected locally with regular day-time buses to Dumfries. These good transport links have been a factor in attracting people to the town, which has seen population growth of 4.7% between 2001 and 2011, well above that of Dumfries & Galloway (0.2%) and the national rate of 3.8% growth.

It is recognised that many people who live in Lockerbie, particularly newer residents, commute to work elsewhere.

1.2 Lockerbie Old School

The Victorian former Dryfesdale Old School building, known as the Old School, has been at the heart of the local community in Lockerbie for over 140 years. In 2010 the Council declared the building “surplus to requirements” and it has stood shuttered and vacant since then.

A public meeting in 2013 identified positive interest in developing the Old School as a community asset to create the vibrant community space lacking in Lockerbie. A group of local people came together to drive this project forward, formalising the group into the Lockerbie Old School Community Hub in July 2014, referred to as LOS throughout this document.

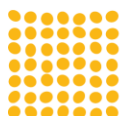
1.3 The Project

The Long Term Vision

The Old School building presents an opportunity to create a new community facility providing space for a wide range of activities to deliver employment and educational and social opportunities for the people of Lockerbie and for visitors to the town.

The long term master plan is to create a multi-use facility for the town to include:

- Space for community and social activities for all ages, including a community cafe
- Space for educational and leisure classes and activities
- Space for arts, theatre, music, etc.
- Workshop space for arts and crafts, trades and training and a Men’s Shed
- Heritage/history and display space
- Small business / start up space for people who want to start their own business, particularly young people who would not otherwise have the chance.
- Bunkhouse style accommodation to attract visitors to the area
- A nursery/crèche
- Outdoor space including a garden and children’s play/ activity space, as well as car parking.



Phase One

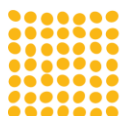
Some of the site will be shored up and mothballed with a focus on one element of the building. The aspiration is to create a multi-use facility for the town to include space for:

- Community and social activities
- A soft play area with small café and party space
- Small business and third sector meetings, hot desking and offices
- Learning, through developing partnership opportunities with Dumfries & Galloway College, and Lockerbie Academy.

1.4 Desired Outcomes

The key outcomes that the group wants to address in phase one are:

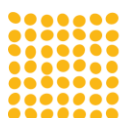
Issue addressed	Key outcome
Community cohesion and social isolation	<p>The Old School will use the development of the asset to bring local people together to create a stronger, more integrated and cohesive community.</p> <p>The Old School will offer a wide range of activities and social events, designed to include something to appeal to everyone, some targeted at specific groups, some open to all. Providing this welcoming heart for the community where people can meet and mix will reduce social isolation.</p>
Addressing disadvantage	<p>The Old School will provide a community base for services targeted at addressing various forms of disadvantage and delivered by voluntary organisations and agencies. The local availability from a community facility in the town makes it easier for people to access these services.</p>
Promoting learning	<p>The Old School will be a place where learning can take place. Partnership opportunities will be explored with Dumfries & Galloway College and Lockerbie Academy, with a view to hosting vocational training and learning activities at the Old School. In particular, there is early potential to host a training hair and beauty salon with Dumfries & Galloway College which will provide training opportunities to local people, as well as a service to the community which will encourage use of other facilities at the site.</p>
Enabling enterprise	<p>The Old School will be a provide an operating base for small businesses, new businesses and social enterprises to develop and flourish, further contributing to the economic and social prosperity of the area.</p> <p>There was a modest but consistent demand identified for flexible meeting space in particular, with some demand for hot desking and bookable space for small enterprises.</p>



1.5 Methodology

The following work has been undertaken to research and assess options for the project:

2015/16 Research	Induction and familiarisation with an initial meeting with LOS's directors to discuss expectations from the assignment and to agree the approach to the work.
	Research to gather information showing the economic and social profile of the area; the policy context; the market for activity; and case studies of other similar projects.
	An open facilitated public meeting attended by 36 people
	Community Survey with representing the views of 326 people
	A focus group of local families.
	A series of interviews with 14 potential users and stakeholders.
	Competitor analysis and desk top market research into community facilities and activities in Lockerbie.
	Project requirements in terms of governance structure and Board capacity and potential funding sources.
	Technical study and assessment of the building by John Gilbert Architects offering various options for developing the site.
2018 strategy work	Following the feedback that the project was required but the development of the whole site was not fundable, the committee spent time thinking, discussing options with the community and having further strategic conversations with Dumfries and Galloway Council.
	Consultants were commissioned to undertake a small piece of strategic work considering how best to phase the project and a report was produced.
2019 Research	Following a successful bid to the Scottish Land Fund, the LOS commissioned further research to identify the nature of a first phase. This took for the form of updated market research and over 20 stakeholder, potential user, supporter and partner interviews in some detail.
	This research led to a brief, which has allowed the design team to produce detailed and costed drawings for Phase one of the project.

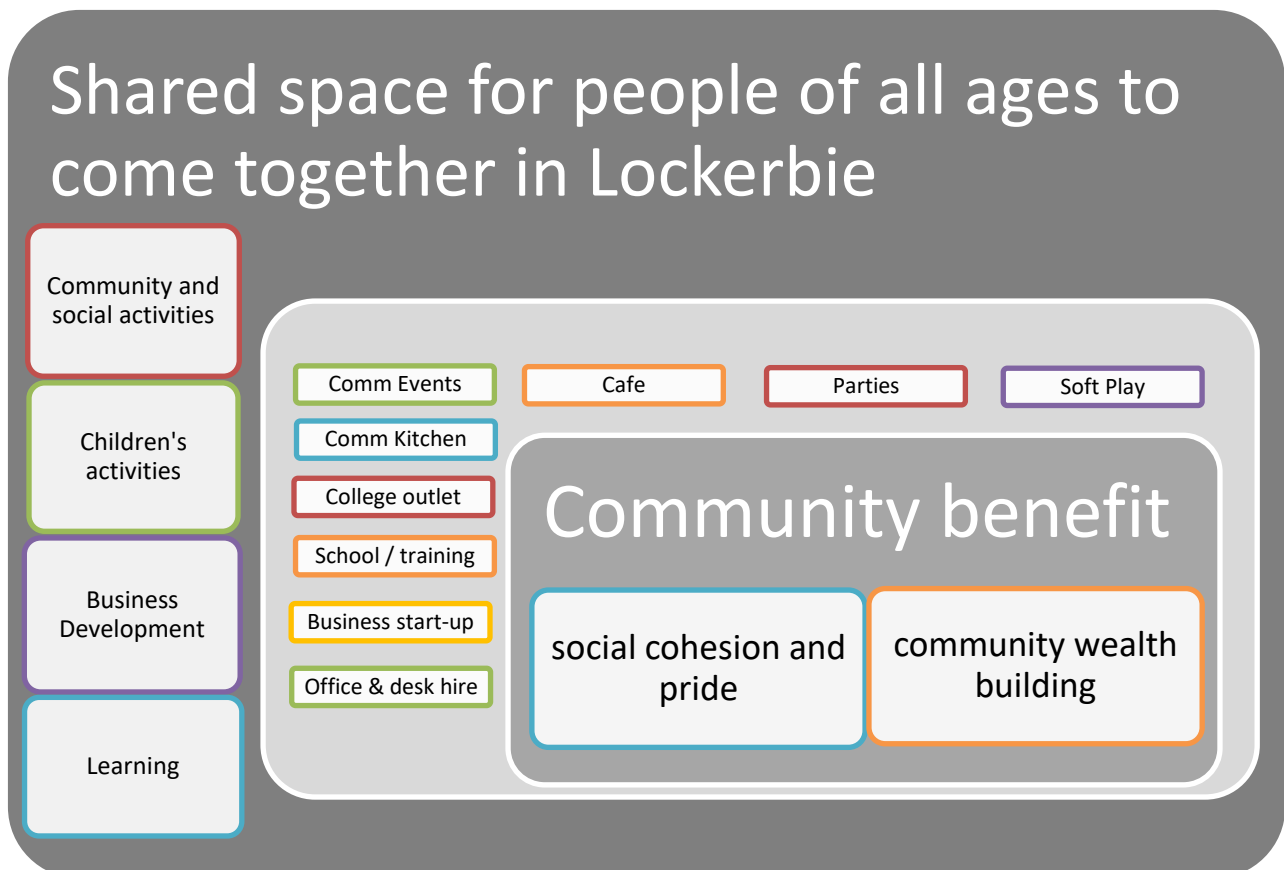


2 Services and Delivery Model for This Phase

2.1 Business Model

Though there is a master plan for the whole site, LOS sees its focus as securing ownership of the building using funding from the Scottish Land Fund and establishing a phase one which is stand-alone. Though there is an aspiration for future phases, they are not crucial to the success of the first phase. LOS are aiming to develop this phase and manage it for use by local community groups, social enterprises and learning institutions. They do not want to run major initiatives themselves but will continue to run small community projects and be an enabler for others.

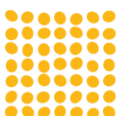
The Old School will work on the model below.



2.2 Evidence of Need and Summary of Research

The Options' Appraisal included a full demographic profile of both Dumfries and Galloway and Lockerbie. Statistics show that the challenges facing Dumfries and Galloway are those associated with an ageing population; low wages and largely hidden in-work poverty; the exodus of talented young people from the area; lack of affordable and heat efficient homes; and problems associated with excess alcohol.

This ageing population tends to be women living on their own as they outlive men by an average of 4.8 years (female life expectancy at birth 81.5 years; male life expectancy 76.7 years). The number of older person households is projected to increase notably over the next ten years, particularly the 75+ age group which is expected to grow by 29.6%.



Lockerbie's population has grown by 4.7% between 2001 and 2011 to 7,771 in the 2 wards that comprise the Lockerbie area according to the 2011 Census. However much of this growth is attributable to a large increase in the number of people over 60. The number of people in the 30-44 age group, those likely to have families with children, has fallen by 21.1%.

This brings major challenges in terms of meeting the health and social needs of these baby boomers and the increasing number of people over 80.

Lockerbie is an area of relatively high employment and relatively low unemployment that can lead to skills and labour shortages for employers. There are high levels of self-employment, part-time and seasonal working patterns. Much of the employment is in lower wage jobs, meaning lower levels of household income than some other areas of Scotland.

Qualification levels are lower among those who remain in the area with 29.8% of people in Dumfries & Galloway qualified to NVQ 4 level and above compared with 41% nationally. At the other end of the scale, 12.7% of people in Dumfries & Galloway have no qualifications higher than the 9.4% for Scotland.

This is reflected in the occupation profile for Lockerbie which shows lower levels of people in managerial or professional roles and more employed in trades and elementary occupations.

There is evidence to suggest a healthy interest from people wanting to start a business in Lockerbie with relatively high numbers approaching Business Gateway for support.

Evidence of deprivation in specific areas of Lockerbie

Although Lockerbie is statistically not a deprived area, there are specific pockets and areas of deprivation that can be targeted.

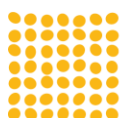
The most deprived datazone has a higher proportion of working age families with children, either out of work or earning low wages, resulting in higher numbers of Key Benefit claimants. This is an area with largely socially rented housing, poorer school performance and one in three women smoking in pregnancy.

Evidence of community demand for new services

Throughout the consultation both local people and other stakeholders were supportive of developing the Old School as a community hub.

The responses to the community survey showed that:

- People are reasonably content with Lockerbie as a place to live with most people giving it between 5 and 8 out of 10 – an average of 6.6.
- Most existing facilities and services are regarded as “average” or “poor”, with the exception of the schools, transport links, cafes, community spirit and community-based health services which are generally more highly regarded - seen as “very good” or “excellent”.
- Activities for pre-5s, children and older people are mainly accessed in Lockerbie while people have to travel further within Dumfries & Galloway for training and adult education.
- Most people say they would be prepared to access these activities in a new facility in Lockerbie if they were available. Demand is particularly high for adult education, training courses and advice sessions.
- Almost everyone (96% of 234 respondents) thinks that the Old School should be redeveloped as a community hub.
- 70% of respondents said that they or a group they represent would be interested in using the facilities in a new hub at the Old School and the subsequent series of potential user interviews in 2019 also indicated interest in using facilities at the site.



There is agreement that the development of the Old School as a community hub will:

- Make people less isolated – 95% (strongly agree or agree)
- Give young people positive activities – 93%
- Bring the community together – 93%
- Give Lockerbie a better social, economic and environmental future – 92%
- Get people more active – 92%
- Help local people learn new skills - 91%.

2.3 Policy Fit

The research report showed that the project to develop a community hub in Lockerbie can contribute to a number of national policy areas, particularly local action to tackle inequality, create opportunities and improve communities, engage with its community to give local people a say in the services it gets, and develop social enterprise.

It can contribute to the *Scottish Government Rural Strategy* by making the local community more active, more confident and creating opportunities that allow people to remain in the area. It fits directly with the Strategy's priority of making best use of local assets and talent to become even more competitive and enterprising.

The national policy on community asset ownership and management is timely and highly relevant for a community organisation like LOS taking ownership of the Old School.

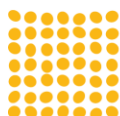
It also fits with local policy:

- It fits with economic policies for growth and economic recovery by:
 - Developing social enterprise activity and supporting other local social enterprises
 - Promoting community and voluntary sector development
 - Developing space for vocational learning
- One of the key objectives identified in the Dumfries & Galloway Regional Economic Profile is to increase workforce in the 18-45 age bracket through the creation/attraction of employment opportunities. The Old School Project could help to meet this objective and keep and attract young families to the town.
- The Lockerbie Master Plan and the *Lockerbie Town Centre – Urban Design Framework* both aim to enhance the appearance of Lockerbie and regenerate the town to make it a better, more vibrant place to live and to visit. Although not in the town centre, the development of the Old School can complement other developments to make the area more attractive for businesses and visitors that will bring economic benefits to the town, and enhance the quality of community space available to local people and organisations.

2.4 Service Areas

After consideration of the research and options appraisal and work around phasing, LOS identified the following as the service areas to be developed for inclusion in the new multi-use Old School facility at this stage:

1. Community and Social Activities
2. Children's Activities
3. Business Development and use of space



4. Learning

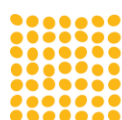
Each of these service areas is considered separately below. LOS will continue to develop partnerships with the groups who have expressed interest in using space at the Old School, in order to have confirmed users of the space in place by the time the renovation work is complete.

The level of interest is such that LOS will need to carefully manage the availability of space – balancing the need for regular income, with the project’s vision to make the space available to all in the local community.

2.5 Service Area : Community and Social Activities

Large numbers (over 20) of informal contacts have been made during the research from individuals and agencies who are keen to potentially use the premise but were not ready to commit. They have not been included in the table below and, even if they do not convert into users, these indicated the very strong momentum towards high usage levels.

Service Area	Multi-purpose space
Purpose	Venue for community meetings, film nights, community events and some visiting performers and local shows that the Town Hall cannot accommodate
What is required	Modest hall (with blinds to support cinema screenings) Meeting rooms and space for hire to community groups, local people, statutory bodies and agencies, and businesses Kitchen facilities available to users Fully accessible facilities including disability access bathroom and access ramp at school entrance Parking areas in the school grounds Free WIFI Storage space Toilet facilities Space should be bright with good lighting to be used by Visibility, and ideally quiet (see below).
Evidence of demand	Open meeting identified need for multi-purpose community space. Community survey – 36% would like to see social space in the hub. Stakeholder interviews – potential demand from individual organisations (detailed below).
Potential users	Supporting vulnerable people <ul style="list-style-type: none"> • Dryfemount Residential Care Home: DRCH have expressed strong interest in hosting their day care provision in the Old School. This operates Monday, Wednesday and Friday each week, but DRCH wish to increase their capacity by opening on a fourth day. The day care would be open from 8.30am to 5.30pm. Whilst this would provide a regular income stream, care must be taken to ensure that the community space offered at the Old School remains available to other groups in addition to DRCH.



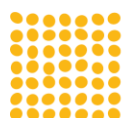
- **Visibility:** This charity is interested in a drop in hub, and peer support groups for blind or partially sighted people at the Old School.
- **Kate's Kitchen:** Provides a pop up café in Lockerbie, along with support through one-to-one sessions, life skills and signposting. Kate's Kitchen are keen to develop their activities in Lockerbie, and could host a fortnightly pop-up café in the Old School, with the potential to host support groups in addition (covering, for example, healthy eating, and arts & crafts).
- **Food train:** The Food Train provides weekly deliveries of fresh groceries to older people experiencing difficulties doing their weekly grocery shopping, ensuring they can eat well, live well and age well. The Old School can support delivery of this service to older people in Lockerbie.

Health and Wellbeing

- **Play therapy:** Lorna Curtis, a local play therapist, expressed interest in hiring space at the Old School for 3 or 4 days per week. Play therapy can be noisy and messy, so care would need to be taken to ensure that this did not impact on other users or cause damage to the building. The same space would be needed each week, to provide consistency to children using the service, and must be private. This space could be offered on free days to other therapists, with local Shiatsu therapist Kirsten Jenkins interested in hiring the space on alternate days; and a local osteopath expressing interest in hiring space to LOS. Lorna Curtis advised that she would be willing to hire space at the school early, including during the renovation work if that was possible.

Performances / Events

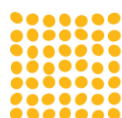
- **Community Cinema:** Community space at the Old School can be used for film screenings. These events would be run by LOS, with support provided by Driftwood Cinemas and Cinema for All, particularly in respect of equipment hire and licencing requirements. Screenings could be tied into themed nights, with catering provided to provide an attractive event for local people.
- **Local events – Lockerbie Jazz Festival (performance and rehearsal space), Country Music Festival, Rockerbie.** Partnership opportunities have been explored with the following organisations in particular:
 - **Spring Fling:** The Old School could apply to host an artist as part of Spring Fling 2020. Not income generating in itself but could attract 300-500 visitors to the school over the festival weekend, with the potential to generate income through a pop-up cafe. There will also be opportunities to host exhibitions throughout the year (although these will require to be manned); and talks for young people by Spring Fling, which may present opportunities to collaborate with Lockerbie Academy.
 - **Dumfries & Galloway Arts Festival:** Possibility of hosting performances through the Festival, or Arts Live – their year round programme.



	<p>Other community use</p> <ul style="list-style-type: none"> • Dumfries & Galloway Housing Partnership, Annandale and Eskdale District Management Committee: The DMC wish to ensure they are visible in the community and expressed interest in supporting other activities in the community space at the Old School. There is also potential to host coffee mornings to encourage uptake of membership in the DMC. • Art Classes: Local artist Marcer Campbell would be willing to deliver art classes at the Old School if commissioned by LOS.
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2.6 Children and Young People's Activities

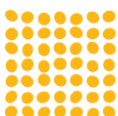
Service Area	Soft Play area with associated Café and party space
Purpose	<p>Space for children, gathering space for young families</p> <p>Parties – income generator for the centre</p> <p>There is potential for this to operate as a dry bar in the evenings</p>
What is required	<p>Soft Play with Café in a visible spot near entrance. There is space for a 50 child capacity soft play centre in the Old School.</p> <p>Fully equipped preparation area with fridges, chill cabinet, dishwasher, etc.</p> <p>Serving counter – fully equipped including fully itemised till.</p>
Evidence of demand	<p>Open meeting identified need for a community café; tea room; child friendly café and soft play.</p> <p>Stakeholder interviews – potential demand from individual organisations for use as informal space. There is no publicly available soft play facility in Lockerbie.</p>
Potential users	<p>Local people</p> <p>Visitors</p> <p>People who work in Lockerbie for lunch and coffee</p> <p>People attending activities and events in the hub</p> <p>Families of disabled children, if disability friendly sessions were offered.</p> <p>Interest in use of a soft play centre was expressed by:</p> <ul style="list-style-type: none"> • Kate's Kitchen (described above) – some of the people attending the pop-up cafes have families and would use the soft play space. • Mid Annandale Playcare – this Lockerbie based nursery have their own private small soft play area, but may be interested in hiring a larger soft play space. • Quarriers advised that soft play would be of interest to some of the disabled young people they support. <p>Young People</p> <ul style="list-style-type: none"> • Open Youth Space: There is early potential to work with Dumfries & Galloway Council to provide a youth space at the Old School. This



	<p>would consist of a safe, non-judgemental 'chill-out space' to relax, and play board games etc. Provision of a youth space could be supported by funding from the Holywood Trust. Space permitting, the youth space could tie into other activities at the Old School, such as cooking workshops.</p> <ul style="list-style-type: none"> • RH Youth Group – This is a newly established youth organisation in Lockerbie, which aims to hold its first meetings in June 2019. The Group will provide a theatre group held two evenings per week; and an outdoor adventure group held two evenings per week. There is early interest in hosting these at the Old School, which could complement use of the community space as a 'chill-out space' for young people on nights when the RH Youth Group activities are not taking place. This potential partnership must be invested in as the group have ambitious targets to attract a large number of young people, and could lead to seeking a larger space than the one available at the Old School.
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2.7 Service Area – Space Hire to groups and Businesses

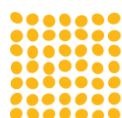
Service Area	Bookable Space
Purpose	<p>For people starting up in business who need an affordable small space outwith the home and the benefit of being with like-minded people – with a focus on meeting space rather than hot-desking.</p> <p>The demand for an element of mentoring could be explored, provided by volunteers with a relevant business/social enterprise background. The project could attract support from suppliers such as Just Enterprise, Business Gateway and Business Mentoring Scotland which are already free services.</p> <p>Desk or office space for other organisations, either on full-time basis or on an agreed let e.g. 3 days/week.</p> <p>Hot desk space, available on a drop-in basis.</p>
What is required	<p>Fully equipped with full high speed broadband and communications systems included as part of package.</p> <p>Access to a shared printer</p> <p>Separate, secure access</p> <p>Separate toilet facilities</p> <p>Access to kitchen facilities</p>
Evidence of demand	<p>Open meeting identified need for a business area and pop-up offices and short leases for start-up businesses and young entrepreneurs.</p> <p>Community survey – The hub should include business start-up space (70 people); business units (64) and desk space/pop up office space (43).</p> <p>Stakeholder interviews – potential demand from individual organisations and feedback from Dumfries & Galloway Business Gateway.</p>
Potential users	<p>The following groups will be targeted as potential users of business facilities at the Old School:</p>



	<ul style="list-style-type: none"> • Individuals setting up in private businesses • Existing sole traders • Fledgling social enterprises • Third sector groups on a discounted rate <p>Annandale Community Transport Services are interested in renting their own office space at the Old School (of sufficient size for 3 members of staff). This would be lockable and not available for other groups to use. They would require parking at the school for 2 mini-buses and 3 community cars.</p> <p>Dumfries based IT support company Sygen Ltd have also expressed early interest in hiring space to LOS.</p>
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2.8 Service Area – Training and Learning

Service Area	Training space
Purpose	<p>Training space for hire to individual organisations for formal training but also for more informal skills' sharing sessions</p> <p>Training hair and beauty salon in partnership with Dumfries & Galloway College</p>
What is required	<p>Training room with interactive smartboard, built-in projector, etc.</p> <p>Space for the training salon must be:</p> <ul style="list-style-type: none"> • Well ventilated space – this is essential, as the salon will use hairspray products • Accessible • Minimum of 4 chairs for hair treatments • Cubicles for beauty treatment <p>The requirement for the salon to be accessible (and ideally on the ground floor) will reduce the community space available for hire. Should the development of the salon not be realised, there will be increased opportunities to attract community groups looking for a larger space, such as youth groups including Lockerbie Scouts, or the RH Youth Group.</p>
Evidence of demand	<p>Open meeting identified no skills training centre after school age. Demand for training.</p> <p>Community survey demand for evening classes – 129 people; day-time short courses – 102 people; employability support – 65 people; computer suite – 57 people. Identified lack of learning facilities for disabled adults.</p> <p>Stakeholder interviews – potential demand from individual organisations, particularly Dumfries & Galloway College.</p>
Potential users	<p>Training hair and beauty salon / vocational training There is early potential to host a hair and beauty training salon at the Old School, in conjunction with Dumfries & Galloway College. The College envisage a training salon opening 2 or 3 days per week, with treatments provided by students to the</p>



	<p>general public. A small shop could be established alongside the salon if successful.</p> <p>Early discussions have taken place with the relevant curriculum manager at the College, and while strong interest was expressed, further discussions would need to take place to negotiate and establish arrangements for lease of the space, staffing, and kit-out of the salon. Whilst the College's preference is for the salon to be on the ground floor, hosting the salon on the first floor of the Old School would increase the size of community space available for hire on the ground floor, and this possibility should be explored.</p> <p>This opportunity has the potential to provide an anchor tenant for the Old School, a reason for local people to visit (and to use other services at the site), and to contribute to the overall project vision of delivering a space for learning.</p> <p>Lockerbie Academy are interested in supporting provision of vocational training at the Old School, including a training salon. This could take the form of the Academy acting as a presenting centre for awards and certificates resulting from training delivered at the Old School. LOS will continue to explore how they can partner with the Academy to provide further learning and training opportunities to people in Lockerbie.</p> <p>Training room facilities</p> <p>The following organisations expressed some interest in use of training room facilities at the Old School:</p> <ul style="list-style-type: none"> • Dryfemount Residential Care Home identified the potential to deliver training to carers – conducted by the NHS. • Annandale Community Transport Services, for induction of volunteers, with the potential to deliver minibus training. • Business Gateway.
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2.9 Monitoring and Evaluation

The aim of the business plan is to ensure that LOS through its community hub becomes a robust, sustainable enterprise with good services at grass roots level. The board is committed to evaluating the success of the work and to promoting both success and learning.

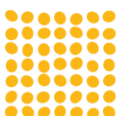
Internal Evaluation

The outcomes set out in this document will form the basis of how this project will operate. The specific milestones and targets for each of the outcomes will be developed, based on funding criteria. Systems will be put in place to make sure that this monitoring information is gathered and used to monitor performance on an on-going basis.

A report will be presented to each board meeting outlining progress towards each outcome and whether milestones have been achieved on target, with clear plans to address issues if the milestones are off track. Actions will be agreed by the board and implemented by the manager.

Evidence will be sought from the following:

- Sign in sheets, monitored by reception staff, recording basic information about individual users, what services they are using and where they are from. This information will be kept to a minimum.
- Periodic evaluations done informally with impact sheets discussed with customers and users.

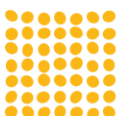


- A confidential yearly users' survey will be used to record both quantitative and qualitative data.
- A regular stakeholder survey will complement this.
- A User Group forum will be established to operate as a reference group, reflecting impact back to the board.

2.10 Potential future phases

Whilst this business plan was created to deliver the first phase of the project as a stand-alone, viable proposal, there are aspirations for future phases of development. The priority of LOS will be establishing the first phase and bringing the Old School back into community use. However, the group will also seek to maintain and grow partnerships which could support later phases of development.

In particular, there may be opportunities to support the creation of a living memorial or exhibit to the Lockerbie disaster, in conjunction with philanthropist Victoria Cumnock and potentially other partners such as Syracuse University, the wider Pan Am 103 relative community, and Lockerbie Academy.



3 The Building

3.1 The Old School

Lockerbie Old School is a very substantial old traditional school building, built in 1875. It served as a school for many years until the primary school relocated. It was then used by the Council as a local office, housing various services until 2010 when it was declared surplus to requirements.

It is adjacent to the former High School site. A new campus was built housing both the High School and the Primary School on a site opposite the ice rink.

The windows in the Old School are partially boarded up. Door entry is by keypad. There is electricity throughout. The building has been empty for a number of years but has not suffered any vandalism.

The building is on three floors with lots of rooms of various sizes. Many were tall rooms but ceilings have been lowered and larger rooms have been split into two. The condition of the rooms is generally good and many look currently usable. The toilet block is a 1960s addition with a flat roof. It is the only part of the building that is condemned and would have to be demolished. There is some rain and weather damage which indicates that the roof needs attention.

There is access by doors at different sides of building which, if retained, would allow separate secure access to commercial office facilities and the nursery.

The outdoor area around the building was the playground so is tarred and enclosed with plenty of parking space.

3.2 Redeveloping the Building : Phase 1

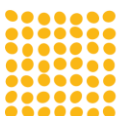
The group started with the aim of saving the building as it is a local landmark. The aim is still to preserve the building but only if it is feasible. The key requirement is that the community hub meets local needs and can be financially sustainable.

Initial work by John Gilbert Architects drew attention to the building defects noted above but considered that overall the Old School building can be largely retained, and proposed four options for development.

Having considered demand and fundability, the project is developing a phase 1 with a crucial mix of social and enterprise activity that can be achieved with a relatively modest budget.

An accommodation schedule has been drafted by John Gilbert Architects based on briefing materials and consultations with the Lockerbie Old School Hub Group.

Further technical details can be seen in the associated architects report.

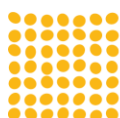


4 Funding and Finances

4.1 Capital Cost and Funding Strategy

Item	Amount	Source of Funding	Amount
Purchase			
Site Acquisition	£57,000 (valuation £60,000)	Scottish Land Fund	£57,000 Up to 95%
		Match from discounted rate (valuation = £60,000)	In place
Legal fees VAT assessment	£6000	SLF	95%
		Local fundraising	5%
Full Renovation			
Main Building repairs and renovation	£1,304,000	Regeneration Capital Grants Fund and Town Centre Fund for 2021/22 spend (discussion with D&G Council)	£750,000
Professional Fees (15% estimate)	£195,600	National Lottery Community Fund Community Assets	£250,000
		Robertson Trust	£100,000
Site investigations (estimate)	£10,000	Private benefactor(s) ¹	£100,000
		Muir Hill Wind Farm	£25,000
		Hollywood Trust	£50,000
Planning and Building Warrant fees (estimate)	£8,000	Garfield Weston and other charitable trusts	£182,600
Furniture	£40,000	Wolfson	£50,000
		Local fundraising and the potential for a community share issue through a subsidiary company	£50,000
Total	£1,557,600		£1,557,600

¹ The project has been approached by an interested philanthropist which has very significant benefits to fundability, viability and both community and funder confidence. The detail of this and other sponsors and donors requires further scoping by the board.



Item	Amount	Source of Funding	Amount
VAT	Could be reclaimed – if not		£242,000
Total with VAT			£1,460,000
Revenue			
Contribution to Project Manager's Salary and revenue in early years to develop activity.	Salary plus employers costs	Private Benefactor	£25,000
		Trusts and charities	£25,000
Additional funding			
Website, brand and marketing materials	£5000	Awards for All or similar	£5000

Other potential funds

The following funds are additional to the above list and offer a contingency and further investment potential.

Fund	Detail	Potential Amount
Borderlands fund	Cross border investment in South of Scotland and Northern England	Unknown
Heritage Lottery	Interest in space of local heritage interest	Say £250,000
Investing in Communities	Revenue funding to address disadvantage	Up to £250,000

4.2 Pricing

Income will be generated from:

- Hire of community space
- Monthly rental for business units and office space
- Income from soft play, café and parties
- If established, the training hair and beauty salon as an anchor tenancy

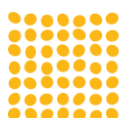
Prices have been set at a rate designed to be affordable but high enough to ensure the sustainability of the facility. The table below assumes a one rate charging system. If concessionary rates are to be offered to some users, other rates will have to be increased.

Item	Charge	Comments
College rent per month	£1000	To be negotiated with the College.



Main Community hall	£13	This is an average. Commercial lets £25 per hour (20% of the time) and community let £8 per hour (80% of the time)
Desk space per month	£150 ²	This is an average and will vary depending on level of usage, length of lease etc.
Meeting room hire	£10	Hourly rate of £10.
Hot desking per day	£20	Average across a range of users. Ad hoc and can be charged by the hour as well as monthly and annual deals. Hourly rate - £5 Monthly membership - £50 Annual membership - £500
Soft play entry	£3	Again this is an average for the purposes of the cash flow, there will be additional membership and family deals Single entry - £3.75 Family pass (up to three children) - £8 Monthly family membership for unlimited use - £40
Parties	£6	Per head with food
Cafe	£3	Average per head spend

² Business Gateway indicated an expected price of £120 per week for a desk, so this price could be increased



4.3 Costs – Revenue

Staffing costs

The table below shows the cost of staffing per the staffing schedule set out in section 5. This includes employers' pension contributions of 5%.

Core Staffing costs					
Core Posts	Salary	NI	Pension	Prop	total
Facilities Manager	£28,000	£2,737	£1,400	1.0	£32,137
Cleaner/Caretaker	£18,000	£1,357	£900	0.5	£10,129
Soft Play and Café Manager	£24,000	£2,185	£1,200	1.0	£27,385
Total					£69,651
	Hourly rate	NI	Pension	Prop	Total
Sessional posts	£20,000	£1,633	£1,000	1.0	£22,633

Salaries have been increased by 2% annually for inflation and holiday cover for caretakers has been factored separately into the cash flows as it would be too much to rely on voluntary cover.

It has been assumed that volunteers will provide reception cover and other duties.

Running costs are itemised in the cash flows and assumptions at Appendix 1. Costs have been increased by for inflation and, where appropriate, for additional usage. The year one budget is shown below in the context that budgets lines are similar, though there are small inflationary increases in subsequent years

4.4 Financial Viability

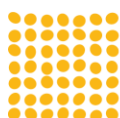
Income will be generated from:

- room, workshop and space hire
- soft play area with associated café and parties
- If potential to host a training salon is realised; the College being the anchor tenant operating their salon from the premises. Additional core tenants including a day care offering and Annandale Community Transport are also committed

The financial projections at Appendix 1 show the income from rental of space in the Old School and income from the soft play area and pop up cafe. The soft play will be open during business hours while the café will only be operational either to complement the soft play or for specific events. Kate's Kitchen may use it at times and the centre itself has it as a resource. Though it will look professional and will be open, it is not marketed as a commercial café in isolation.

Cash flow projections have been based on available hours and modest occupancy rates building up to 40% by year 3 and not growing beyond this. This allows for significant contingency. This generates income (excluding grants) of 103,815 in year 1, increasing to £142,906 in year 4 as a result of increased trading and small price increases only in year 4.

Because of the £25,000 windfarm subsidy there is a need for 100% grant funding for capital costs but only a small amount for revenue costs of £10,000. Loan funding has not been factored in since servicing the loan would put undue pressure on sustainability, although a small capital loan secured on

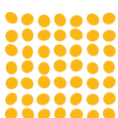


the asset is an option if full funding cannot be secured. There is the opportunity of further core funds from windfarms but these have not been factored in.

The cash flows show that, with good anchor tenants and a strong community base producing the projected occupancy and usage rates from early on, and a soft play enterprise, this is a sustainable project which goes forward with no grant subsidy from year 4. Year 3 shows a good surplus. The surplus for year 4 with no additional grants is £46,325 that can be re-invested back into the facility and used to fund LOS's other charitable activities.

A summary of the financial growth can be seen below;

	Year 1	Year 2	Year 3	Year 4	Totals
Income					
Trading	£68,815	£85,598	£94,335	£117,906	£366,653
Grants and fundraising	£35,000	£25,000	£25,000	£25,000	£110,000
Total	£103,815	£110,598	£119,335	£142,906	£476,653
% of trading to grants	66%	77%	79%	83%	
Expenditure	£86,154	£88,225	£88,559	£96,564	£359,502
Surplus / Deficit	£17,661	£22,373	£30,776	£46,342	£117,151
Building reserve	£17,661	£40,034	£70,810	£117,151	



5 Governance and Management

5.1 Legal Structure

Lockerbie Old School Community Hub (SCIO) was registered as a Scottish Charitable Incorporated Organisation (registered number SC044998) in July 2014. This structure provides the protection of limited liability and the benefits of charitable status – charitable rates exemption (80% mandatory and 20% discretionary provided the building is wholly used for charitable purposes); ability to reclaim Gift Aid on donations from eligible individual donors; access to funding from some charitable trusts that will only fund registered charities.

The SCIO's charitable purposes are:

- 4.1 The development of the Old Primary School in Lockerbie into a community and enterprise facility for the benefit and improvement of the "area known as Lockerbie" as defined by the postcode DG11 and the wider community at large for the benefit of the inhabitants of the area;
- 4.2 To encourage the goodwill and involvement of the wider community.
- 4.3 To foster community spirit and encourage civic pride.
- 4.4 The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended, and only in relation to recreational facilities or activities which are: The members of the public at large.
- 4.5 The advancement of education.
- 4.6 The advancement of citizenship or community development
- 4.7 The advancement of the arts, heritage, culture or science.
- 4.8 The advancement of public participation in sport which involves physical skill and exertion.
- 4.9 The promotion of equality and diversity.

These objectives are very comprehensive and wide enough to cover the activities envisaged in this business plan.

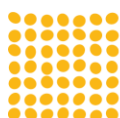
Trading and charitable status

Under charity law, charities cannot engage in commercial activities which might put charitable assets at risk. OSCR's main concern is the protection of charitable assets and ensuring that activities undertaken by charities are within their charitable objectives.

This will be considered prior to opening as rental of space and, depending on interpretation even the soft play, could be construed as commercial rather than charitable activity.

LOS will set up a subsidiary company with £100 in share capital, wholly owned by the SCIO. Trading profits will be gifted back to the SCIO for continuance of LOS's charitable activities. This will protect its charitable status and separate out the commercial risks associated with the trading so that the SCIO's assets are fully protected.

In addition, if a community share issue is considered, a separate community benefit society, linked by a memorandum of understanding to the SCIO will be established. This will need to be tested with objective advice from Community Shares Scotland to consider if enough liquidity can be built for the FCA to be content with allowing the share issue.



5.2 Board Capacity

The Board is made up of committed people who are determined and passionate about LOS and improving life for people in Lockerbie. They bring with them a diverse range of work and life experience which will form a solid base for the Board, including experience in:

- running commercial businesses
- customer service
- marketing and merchandising
- arts, youth and community development
- commercial research
- education
- management and organisation
- interpersonal skills
- facilitation and training
- project manager
- writing successful funding bids
- serving as a charity trustee on a range of charities

The Board will recruit other trustees who bring the same passion for the project, an understanding of the local community and additional skills to build the capacity of the Board to take this project forward. This will include recruiting specific finance experience, facilities management experience and capital project management experience (at least for the build period).

5.3 Governance and Strategic Management

Lockerbie Old School Community Hub is a relatively new SCIO. To date the focus has been on gathering public support and momentum for the acquisition of the Old School as a community asset, lobbying Dumfries & Galloway Council members and staff for information and support, and making initial approaches to potential hub user groups and funders to build up evidence of fundability and viability.

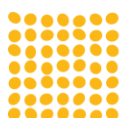
LOS has run a number of small events like the Spring Fling and the Big Lunch. It will continue to operate small projects to build up the organisation's experience and a track record that demonstrates ability in project delivery and financial management.

The amount of funding involved in developing a capital asset and running a community hub / enterprise centre is recognised as a big step for LOS but the Board is aware of the amount of commitment and hard work that will be required to develop and manage this project. Board members meet regularly to discuss progress and plan ahead and all decisions are fully discussed and approved before implementation.

Robust processes and procedures will be implemented as the project comes to fruition. These will then be reviewed to ensure that they are robust enough to cope with the increased levels of activity and responsibility that will come with managing the facility, staff and volunteers.

Supportive Partnership

Cunningham Housing Association have indicated that they are keen to establish a supportive long term partnership with LOS. Cunninghame Housing Association have purchased land adjacent to the Old School and will develop 48 new homes on the site. The Housing Association wish to support the Old School project to ensure that the Old School is brought back into use and provides communities



facilities for residents in these new homes. LOS will continue to explore partnership opportunities with the Housing Association and seek support from them where appropriate. There may also be scope for joint projects in the future, such as development of the quadrangle at the rear of the Old School into a garden courtyard

There are a range of other ways in which this partnership will develop. They have offered in-kind strategic support for example from their legal or HR teams to strengthen the governance of the organisation. This is support that can happen quickly and be responsive, rather than the group having to apply for funds to secure support.

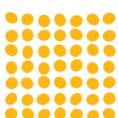
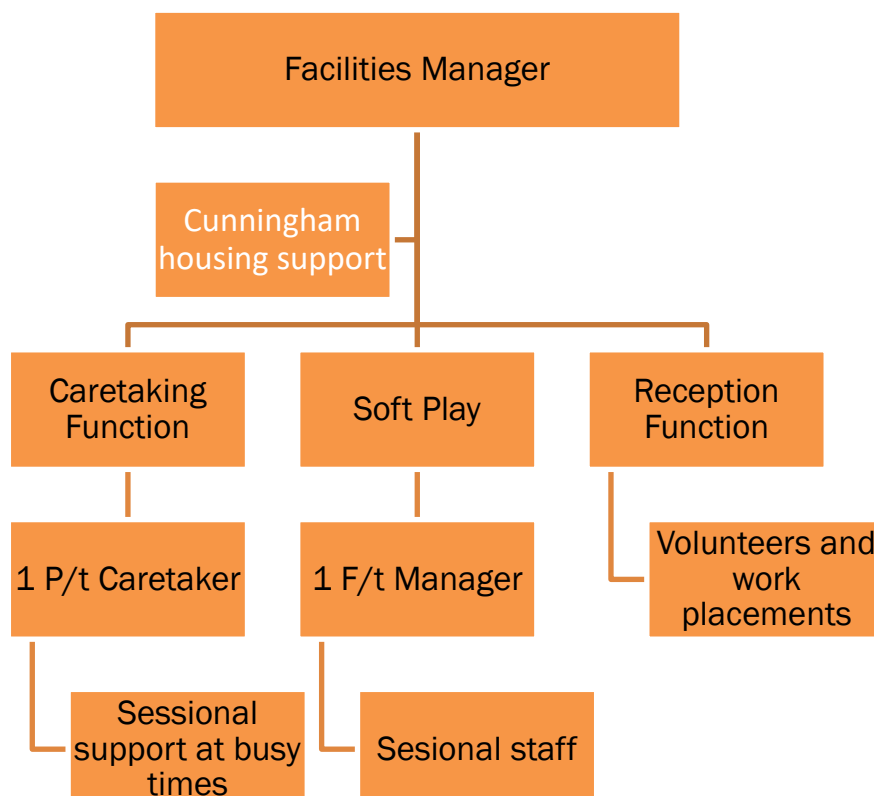
The Housing Association may be interested in renting parking on site, and have offered some technical support to LOS, for example if they were keen to develop the adjacent house at some point in the future. This support may also include a pedestrian connections between the community development and the housing, but all of this will be scoped out in the future.

5.4 Staffing Structure

The intention is to keep running costs to a minimum. It is intended that the following is the staffing complement which will only be increased if required and if income is there to cover additional staff costs.

Initial staffing will consist of:

- One full-time Facilities manager responsible for overall management of the Old School, business development and marketing, staff supervision, financial management, volunteer management, and liaison and reporting to the Board.
- One part time caretaker, to cover the opening and closing of the facility, room set up, cleaning and maintenance and operational smooth running of the facility.
- One soft play/café manager.
- A pool of volunteers to man reception, provide a warm welcome and give information, organise events and help with various groups.



The Old School will provide a wide range of volunteering opportunities, both directly through LOS and through other organisations operating in the hub. It will also provide opportunities for young volunteers. The challenge is to find them interesting and rewarding volunteer placements so that they become life-long volunteers. The range of volunteering options would provide chances for them to try different areas of activity.

There will also be opportunities for work placements through local agencies and Government schemes such as Community Jobs Scotland.

5.5 On-going Community Engagement

There are over 100 members but many more local people interested and supportive. The organisation has continued with an on-going community engagement, involvement and communication process to keep local residents up to date with what is happening and able to contribute thoughts to the project. It truly feels like a whole community project. Some of the methods have been as follows;

Community Events

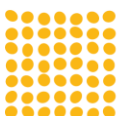
- Open evenings (with a large event in August 2018)
- Community lunches
- The Big Walk (part of the Eden project)
- The Great Get-together
- Stalls at community events such as craft fairs

An average of 30 people are engaged each time

Local stories

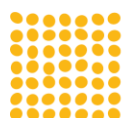
Positive stories, information and the opportunity to contribute ideas is distributed via;

- Border Life
- D&G Life
- The Trusts own newsletter (now in its second edition) circulated to the whole community
- The website where case studies, stories and opportunities to contribute are held.
- Involvement in Kate's Kitchen every two weeks
- The community garden project
- 16 collection boxes are sited round the town raising awareness of the project as well as generating small donations for day to day running costs
- Regular poster campaigns



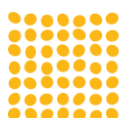
5.6 Risk Management and Mitigation

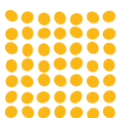
Risk	Impact	Probability	Existing Controls	Action Required	Lead Responsibility
Failure to secure asset transfer	High	Low	Liaison with D&G Council	Continued negotiation or find alternative site	LOS chair
Failure to secure capital funding	High	Medium	Strong relationship being built with funders Strong business plan and good research into a variety of funders during the research phase	Build relationship with larger diverse funders Consider alternative models such as crowd-funding and a BenCom offering community shares	LOS Board
Failure to secure revenue funding	Medium	Low	Strong relationship with range of funders Focus on enterprise and income generation Existing track record shows LOS can deliver	Consider back up funders Increase trading	LOS Board
Demand lower than expected after building new facilities	High	Low	Research indicates demand to be met. Phased approach creates smaller facility Good relationships with local groups, agencies who are potential users of space including recent round of direct calls.	Employ Business Manager to develop trading and marketing. Follow up on interest and partnership potential	Manager
Unable to realise potential for training salon	Medium	Medium /High	Investing in relationship with Dumfries & Galloway College	Ongoing communication with the College to emphasise benefits of locating salon at the Old School Working with the College to secure funding (if required) and ensure that the space available is	LOS Board



Risk	Impact	Probability	Existing Controls	Action Required	Lead Responsibility
				well tailored to College requirements Exploring space hire with groups requiring a larger community space, to exploit the larger room available for hire if the salon is not established	
Loss of key personnel, volunteers and Board Members	High	Medium	Commitment of LOS Board and support from enthusiastic volunteers	Good terms and conditions for future staff Board recruitment to strengthen and bring in new skills	Board
Costs higher than expected	Medium	Medium	Cash flow projection and business plan Support from design team	Review costs for savings Increase rental charges to cover costs Increase usage to spread costs wider Fundraising	Board
Increased competition from new venues offering meeting space	Medium	Medium	Investing in relationships with potential users	Marketing strategy promoting meeting space Partnership with support agencies such as Business Gateway to refer potential users to the Old School	Manager

Appendices





Appendix 1: Cash flow projections

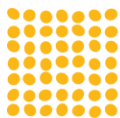
Lockerbie Old School Phase 1 Year 1 : Revenue budget and cash flow

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Totals
Assumptions	Weeks per month	5	4	4	5	4	4	5	4	5	4	4	5	
	Café customers per wee (10% monthly increase)	30	33	36	40	44	48	53	58	64	71	78	86	
	Including Kates Kitchen	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	
	Eg community cinema	30	40	75	75	75	75	75	100	100	50	50	50	
	Price per event	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	
	12 hrs per day x 7 days x 3 spaces	252	252	252	252	252	252	252	252	252	252	252	252	
	See pricing in business plan	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	
	Occupancy Rate	10%	20%	20%	20%	20%	25%	25%	25%	25%	25%	30%	30%	
INCOME	Anchor tenants													
	Hairdressing salon (College)	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£9,000
	Annandale Comm transport	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£2,400
	£8 p/hr x 9 hrs x 4 days x 4 weeks	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£13,824
	Soft play income	£500	£500	£500	£500	£500	£500	£500	£750	£750	£750	£750	£750	£7,500
	Café Income	£450	£396	£436	£599	£527	£580	£797	£702	£965	£849	£934	£1,284	£8,517
	Events income	£120	£160	£300	£300	£300	£300	£400	£400	£400	£200	£200	£200	£3,180
	Lets Income	£1,008	£1,613	£1,613	£2,016	£1,613	£2,016	£2,520	£2,016	£2,520	£2,016	£2,419	£3,024	£24,394
	Total Sales	£4,180	£4,771	£4,950	£5,517	£5,042	£5,498	£6,469	£5,970	£6,737	£5,917	£6,405	£7,360	£68,815
EXPENDITURE														
Direct expenses														
	Event costs	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	2,400
	Café costs	£135	£119	£131	£180	£158	£174	£239	£210	£289	£255	£280	£385	2,555
	Total Direct Expenditure	£335	£319	£331	£380	£358	£374	£439	£410	£489	£455	£480	£585	4,955
Overhead Expenses														
	Advertising	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	600
	Rates	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	9,000
	Water Rates	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	1,800
	Gas / Electric	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	4,800
	Phone and internet	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	600
	Insurance	£1,500												1,500
	Stationery, postage & Printing	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
	Staff costs	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	55,959
	Volunteer expenses and training	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
	Professional and accountancy fees									£1,000			£1,500	2,500
	Repairs & Maintenance	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	1,200
	Security alarm and other contracts	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	900
	Refuse Collection	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
	Cleaning materials	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	240
	Misc	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	1,200
	Total Overheads	£7,933	£6,433	£6,433	£6,433	£6,433	£6,433	£6,433	£6,433	£7,433	£6,433	£6,433	£7,933	81,199
	Total Expenditure	£8,268	£6,752	£6,764	£6,813	£6,791	£6,807	£6,872	£6,844	£7,923	£6,888	£6,913	£8,518	86,154
Operating Profit														
Windfarm														
	Core grant from Muir Hall Energy	£25,000												25,000
Start up Revenue grants														10,000
Total including grants		£30,912	-£1,981	-£1,814	-£1,296	-£1,749	-£1,309	-£403	-£874	-£1,186	-£971	-£508	-£1,158	17,661
Operating Cash flow		£30,912	£28,931	£27,117	£25,821	£24,072	£22,762	£22,359	£21,485	£20,299	£19,328	£18,819	£17,661	



Lockerbie Old School Phase 1 Year 2 : Revenue budget and cash flow

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Totals
Assumptions	Weeks per month	5	4	4	5	4	4	5	4	5	4	4	5	
Levels out	Café customers per week	85	87	88	90	92	94	96	98	100	102	104	106	
Including Kates Kitchen	Average café spend	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	
Eg community cinema	Number of event attendees per month	50	50	50	75	75	75	50	50	100	50	50	50	
	Price per event	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	
12 hrs per day x 7 days x 3 spaces	Maximum hours of lettable space per week	252	252	252	252	252	252	252	252	252	252	252	252	
See pricing in business plan	Room hire average	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	
	Occupancy Rate	30%	30%	30%	30%	30%	30%	30%	30%	30%	35%	35%	35%	
INCOME	Anchor tenants													
	Hairdressing salon (College)	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£9,000
	Annandale Comm transport	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£2,400
£8 p/hr x 9 hrs x 4 days x 4 weeks	Drycleaning day care per week	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£13,824
Soft Play income	Let	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£9,000
Café Income		£1,275	£1,040	£1,061	£1,353	£1,104	£1,126	£1,436	£1,172	£1,494	£1,219	£1,243	£1,585	£15,109
Events income		£200	£200	£200	£300	£300	£200	£200	£200	£400	£200	£200	£200	£2,900
Lets Income		£3,024	£2,419	£2,419	£3,024	£2,419	£2,419	£3,024	£2,419	£3,024	£2,822	£2,822	£3,528	£33,365
Total Sales		£7,351	£6,512	£6,532	£7,529	£6,675	£6,697	£7,512	£6,643	£7,770	£7,093	£7,118	£8,165	£85,598
EXPENDITURE														
Direct expenses														
Event costs	Eg cinema licence, equipment hire etc	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	2,400
Café costs	30% of sales	£383	£312	£318	£406	£331	£338	£431	£351	£448	£366	£373	£476	4,533
Total Direct Expenditure		£583	£512	£518	£606	£531	£538	£631	£551	£648	£566	£573	£676	6,933
Overhead Expenses														
Advertising		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	600
Rates	% of RV of whole site x 80% relief (TBC)	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	9,000
Water Rates		£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	1,800
Gas / Electric		£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	4,800
Phone and internet		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	600
Insurance		£1,500												1,500
Stationery, postage & Printing		£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
Staff costs	2% cost of living increase	£4,756	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	£4,663	56,052
Volunteer expenses and training		£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
Professional and accountancy fees										£1,000			£1,500	2,500
Repairs & Maintenance		£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	1,200
Security alarm and other contracts	Includes compliance fees	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	900
Refuse Collection		£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
Cleaning materials		£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	240
Misc		£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	1,200
Total Overheads		£8,026	£6,433	£6,433	£6,433	£6,433	£6,433	£6,433	£6,433	£7,433	£6,433	£6,433	£7,933	81,292
Total Expenditure		£8,609	£6,945	£6,952	£7,039	£6,964	£6,971	£7,064	£6,985	£8,081	£6,999	£7,006	£8,609	88,225
Operating Profit														
Windfarm		£-1,258	£-434	£-419	£490	£-289	£-274	£448	£-342	£-312	£94	£112	£-444	£-2,627
Start up Revenue grants	Core grant from Muir Hall Energy	£25,000												25,000
Total including grants		£23,742	£-434	£-419	£490	£-289	£-274	£448	£-342	£-312	£94	£112	£-444	22,373
Operating Cash flow														
		£23,742	£23,308	£22,889	£23,379	£23,090	£22,816	£23,264	£22,922	£22,611	£22,705	£22,817	£22,373	



Lockerbie Old School Phase 1 Year 3 : Revenue budget and cash flow

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Totals
Assumptions	Weeks per month	5	4	4	5	4	4	5	4	5	4	4	5	
	<i>Café customers per week</i>	110	112	114	117	119	121	124	126	150	150	150	150	
	<i>Average café spend</i>	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	
Eg community cinema	<i>Number of event attendees per month</i>	50	50	50	75	75	75	50	50	100	50	50	50	
	<i>Price per event</i>	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	
12 hrs per day x 7 days x 3 spaces	<i>Maximum hours of lettable space per week</i>	252	252	252	252	252	252	252	252	252	252	252	252	
See pricing in business plan	<i>Room hire average</i>	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	£8.00	
	<i>Occupancy Rate</i>	35%	35%	35%	35%	35%	35%	35%	35%	40%	40%	40%	40%	
INCOME														
Anchor tenants	<i>Hairdressing salon (College)</i>	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£9,000
	<i>Annandale Comm transport</i>	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£2,400
£8 p/hr x 9 hrs x 4 days x 4 weeks	<i>Drylemount day care per week</i>	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£13,824
Soft play income		£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£18,000
Café Income		£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£9,000
Events income		£200	£200	£200	£300	£300	£200	£200	£200	£400	£200	£200	£200	£2,900
Lets Income		£3,528	£2,822	£2,822	£3,528	£2,822	£2,822	£3,528	£2,822	£4,032	£3,226	£3,226	£4,032	£39,211
Total Sales		£8,080	£7,374	£7,374	£8,180	£7,474	£7,474	£8,080	£7,374	£8,784	£7,778	£7,778	£8,584	£94,335
EXPENDITURE														
Direct expenses														
Event costs	<i>Eg cinema licence, equipment hire etc</i>	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	2,400
Café costs	<i>30% of sales</i>	£225	£225	£225	£225	£225	£225	£225	£225	£225	£225	£225	£225	2,700
Total Direct Expenditure		£425	£425	£425	£425	£425	£425	£425	£425	£425	£425	£425	£425	5,100
Overhead Expenses														
Advertising		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	600
Rates	<i>% of RV of whole site x 80% relief (TBC)</i>	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	9,000
Water Rates		£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	1,800
Gas / Electric		£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	4,800
Phone and internet		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	600
Insurance		£1,500												1,500
Stationery, postage & Printing		£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
Staff costs	<i>2% cost of living increase</i>	£4,852	£4,852	£4,852	£4,852	£4,852	£4,852	£4,852	£4,852	£4,852	£4,852	£4,852	£4,852	58,219
Volunteer expenses and training		£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
Professional and accountancy fees										£1,000			£1,500	2,500
Repairs & Maintenance		£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	1,200
Security alarm and other contracts	<i>Includes compliance fees</i>	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	900
Refuse Collection		£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
Cleaning materials		£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	240
Misc		£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	1,200
Total Overheads		£8,122	£6,622	£6,622	£6,622	£6,622	£6,622	£6,622	£6,622	£7,622	£6,622	£6,622	£8,122	83,459
Total Expenditure		£8,547	£7,047	£7,047	£7,047	£7,047	£7,047	£7,047	£7,047	£8,047	£7,047	£7,047	£8,547	88,559
Operating Profit														
Windfarm		-£467	£328	£328	£1,133	£428	£428	£1,033	£328	£737	£731	£731	£37	5,776
Start up Revenue grants	<i>Core grant from Muir Hall Energy</i>	£25,000												25,000
Total including grants		£24,533	£328	£328	£1,133	£428	£428	£1,033	£328	£737	£731	£731	£37	30,776
Operating Cash flow														
		£24,533	£24,861	£25,189	£26,322	£26,750	£27,178	£28,211	£28,539	£29,276	£30,007	£30,738	£30,776	



Lockerbie Old School Phase 1 Year 4 : Revenue budget and cash flow

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Totals
Assumptions	Weeks per month	5	4	4	5	4	4	5	4	5	4	4	5	
	<i>Café customers per week</i>	150	150	150	150	150	150	150	150	150	150	150	150	
	<i>Average café spend</i>	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	
Eg community cinema	<i>Number of event attendees per month</i>	75	75	75	75	75	75	75	100	100	75	75	75	
	<i>Price per event</i>	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	£4.00	
12 hrs per day x 7 days x 3 spaces	<i>Maximum hours of lettable space per week</i>	252	252	252	252	252	252	252	252	252	252	252	252	
See pricing in business plan	<i>Room hire average</i>	£9.00	£9.00	£9.00	£9.00	£9.00	£9.00	£9.00	£9.00	£9.00	£9.00	£9.00	£9.00	
	<i>Occupancy Rate</i>	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	
INCOME														
Anchor tenants	<i>Hairdressing salon (College)</i>	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£9,000
	<i>Annandale Comm transport</i>	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£2,400
£8 p/hr x 9 hrs x 4 days x 4 weeks	<i>Drylmount day care per week</i>	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£1,152	£13,824
Soft play income		£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£9,000
Café income		£3,000	£2,400	£2,400	£3,000	£2,400	£2,400	£3,000	£2,400	£3,000	£2,400	£2,400	£3,000	£31,800
Events income		£300	£300	£300	£300	£300	£300	£300	£400	£400	£300	£300	£300	£3,800
Lets Income		£4,536	£3,629	£3,629	£4,536	£3,629	£3,629	£4,536	£3,629	£4,536	£3,629	£3,629	£4,536	£48,082
Total Sales		£10,688	£9,181	£9,181	£10,688	£9,181	£9,181	£10,688	£9,281	£10,788	£9,181	£9,181	£10,688	£117,906
EXPENDITURE														
Direct expenses														
Event costs	<i>Eg cinema licence, equipment hire etc</i>	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	2,400
Café costs	<i>30% of sales</i>	£900	£720	£720	£900	£720	£720	£900	£720	£900	£720	£720	£900	9,540
Total Direct Expenditure		£1,100	£920	£920	£1,100	£920	£920	£1,100	£920	£1,100	£920	£920	£1,100	11,940
Overhead Expenses														
Advertising		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	600
Rates	<i>% of RV of whole site x 80% relief (TBC)</i>	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	9,000
Water Rates		£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	1,800
Gas / Electric		£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	4,800
Phone and internet		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	600
Insurance		£1,500												1,500
Stationery, postage & Printing		£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
Staff costs	<i>2% cost of living increase</i>	£4,949	£4,949	£4,949	£4,949	£4,949	£4,949	£4,949	£4,949	£4,949	£4,949	£4,949	£4,949	59,384
Volunteer expenses and training		£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
Professional and accountancy fees										£1,000			£1,500	2,500
Repairs & Maintenance		£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	1,200
Security alarm and other contracts	<i>Includes compliance fees</i>	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	900
Refuse Collection		£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	300
Cleaning materials		£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	240
Misc		£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	1,200
Total Overheads		£8,219	£6,719	£6,719	£6,719	£6,719	£6,719	£6,719	£6,719	£7,719	£6,719	£6,719	£8,219	84,624
Total Expenditure		£9,319	£7,639	£7,639	£7,819	£7,639	£7,639	£7,819	£7,639	£8,819	£7,639	£7,639	£9,319	96,564
Operating Profit		£1,369	£1,542	£1,542	£2,869	£1,542	£1,542	£2,869	£1,642	£1,969	£1,542	£1,542	£1,369	21,342
Windfarm	Core grant from Muir Hall Energy	£25,000												25,000
Start up Revenue grants														0
Total including grants	<i>End of grants</i>	£26,369	£1,542	£1,542	£2,869	£1,542	£1,542	£2,869	£1,642	£1,969	£1,542	£1,542	£1,369	46,342
Operating Cash flow		£26,369	£27,911	£29,454	£32,323	£33,865	£35,407	£38,277	£39,919	£41,888	£43,430	£44,972	£46,342	

