

FITTLEWORTH COMMUNITY SHOP LTD BUSINESS PLAN

MAY 2017



Fittleworth Community Shop Limited (trading as Fittleworth Stores)
Registered in England No 7386
Registered Office: Lower Street House, Lower Street, Fittleworth, W Sussex, RH20 1EP



1. EXECUTIVE SUMMARY

Fittleworth has been without a village shop since 2011, when its privately-owned shop and post office closed. The village now lacks an effective community hub, accessible to all ages throughout the day. A new, well-located shop and café should answer this need, and, critically, help to ensure that Fittleworth remains a thriving and vibrant community in the years to come.

In April 2016 437 shop survey questionnaires were distributed in the Parish. 60% of the parish households completed the survey, with 82% of the respondents considering a village shop was 'important' or 'very important'. 79% of the respondents expected to use the proposed shop at least weekly. The results of the survey gave a clear mandate to progress plans to develop a new shop for the community.

The viability and sustainability of community shops was also researched and a Consultation Day was held to present the detailed proposals on the design and location of the proposed community shop. The preferred location is at the heart of the village near the Village Hall, Sports and Social Club and School on land that is already owned by the parish. Those attending the Consultation Day were overwhelmingly in favour of the proposed plans.

A Community Benefit Society, Fittleworth Community Shop Ltd (FCSL) was established to act as the ownership vehicle of the business.

Consequently, FCSL proposes to open our Fittleworth community shop and café in 2018. The shop and café would be in a new, purpose-built structure in the centre of the village. Within easy walking distance for much of the population, the shop will provide residents with a full range of grocery products and locally sourced produce at reasonable prices. The shop will also provide a range of services, including postal services. The shop and café will trade under the name "Fittleworth Stores".

A planning application was submitted in January 2017 to open a community shop and café and planning permission granted in March 2017. The intention is to create an attractive retail environment in the heart of the community, which will be owned by the community for the benefit of the community.

Community shops are a resilient form of business. Their success rate is 95% compared to the average small business success of 46%. This is because support for a venture in which there is an economic and social interest is higher; volunteer involvement reduces staff costs, and, as member-owned organisations, community shops listen better and respond faster to the needs of their members and the wider community.

The Management Committee of FCSL has consulted widely with other community stores and has received support and guidance through its membership of the Plunkett Foundation.

The Management Committee needs to raise approximately £300,000 to cover the costs to build, equip and stock the shop and café and start trading. This sum will be raised from a number of sources: a community share issue in FCSL; a community fundraising programme; donations and grants. Our initial profit and loss forecasts suggest that the business will break even in the first year and generate a modest profit thereafter.

The shop will be managed by a paid manager and an assistant supported by volunteers. In the shop survey 66 people said they would be interested in volunteering in the shop and café. In addition, we



had a further group of people with a wide range of valuable skills and expertise who said they would be prepared to offer professional or other relevant advice or support to the project.

The store will sell everyday essentials at affordable prices. It will also offer local produce and crafts, supporting local businesses and creating a unique shopping environment. The café will serve a range of drinks and food and will act as a much - needed social hub for the village. It is intended that the shop and café will act as a platform for future community outreach services.

To enable the shop and café to be owned and run by the community for the community FCSL has been set up as a Community Benefit Society. It has been registered with the Financial Conduct Authority (FCA) as a registered society under the Co-operative and Communities Benefit Societies Act 2014. The society exists to carry on business for the benefit of the community. Assets owned by the society will be used solely for community benefit. Profits generated will be reinvested into the store and any surplus used to benefit the community.

2. THE COMMUNITY SHOP OFFERING

What are the benefits of our proposed community shop and café?

- The store will comprise a shop and café that will together act as a central meeting point in the village. It will be open 8.30am – 5.30pm Monday to Friday, 9am – 5pm on Saturday and 9.30 – 12.30am on Sunday.
- The store will stock everyday essentials at affordable prices. The store will also provide a range of locally sourced produce including bread, milk and dairy, meat and fruit and vegetables and local crafts. By providing local produce and crafts we can support local businesses.
- The store will also provide postal services (recorded delivery and special delivery services, national and international post and parcels, parcel drop off and collection point), information about local events and activities and information about the surrounding area and South Downs National Park.
- As FCSL is a registered Community Benefit Society, we can offer shares in FCSL where the whole community can be invited to purchase shares at a price that will be as inclusive as possible. Shares will be a “membership ticket” allowing members a say on the running of the shop, with voting on a one member one vote basis. Any trade profit will be reinvested back into community projects or used for charitable purposes.
- A café area where people can buy drinks and food will provide a much - needed social hub for the village with the shop and café generally increasing social engagement between different age groups and social groupings within the village and reducing social isolation.
- In time, we hope that the shop and café will provide a platform from which we can launch community outreach services.
- The shop and café will provide employment as we will employ two full time members of staff. These paid roles will be supported by an army of volunteers who will carry out a wide range of duties. As such, the shop can offer training opportunities and work experience for members of the local community which could help them enter paid employment afterwards (retail and customer service skills, communication and social skills, experience of a friendly, supportive and



hard-working environment, teamwork skills and confidence and support in seeking work). The store will also be able to support our youth undertaking Duke of Edinburgh and similar award schemes who need work experience volunteering for community enterprises to support those awards.

As noted by the Plunkett Foundation, community shops are sustainable, democratic forms of business that succeed where commercial ventures have failed. There are on average 22 shops opening under community ownership each year.

- The community is usually keener to support a venture in which it has an economic and social interest and in the knowledge that there is no single individual profiting from the venture.
- Staff costs can be reduced by volunteer involvement. (A typical community shop will have around 30+ volunteers each working between two and four hours a week).
- Often the ownership or long term lease of premises is covered by funds raised from grant sources or from shares or loans from within the community.
- As member-owned organisations, community shops are more likely to listen to and respond to the needs of their members and of their wider community. They are therefore more likely to stock and sell products and services that their customers want. As membership organisations they are also able to purchase collaboratively through the Plunkett Community Shop Network saving valuable time and money.

3 BACKGROUND TO THE PROPOSAL

Fittleworth is a great place to live with a well-utilised Village Hall, active Church community, a very popular village school, thriving Sports and Social Club, the historic Swan Inn and many Clubs and Societies. It also holds a well-supported monthly Village Market. The village is however suffering from the loss of the village stores and post office which closed in 2011. The old stores acted as a commercial and social hub for the village bringing together residents of all ages across the social spectrum and providing for everyday needs.

The village has limited public transport for those who do not drive resulting in social isolation for some groups and individuals in the community. The nearest shopping areas are in Pulborough and Petworth.

Following discussion at the Parish Council, a working group was set up in January 2016 to explore the possibility of establishing a not-for-profit community owned and run shop and cafe. The working group carried out initial market research to review the success rate of community shops and conducted a village survey referred to below.

3.1 Village Questionnaire

In April 2016 a questionnaire was distributed to approximately 450 households and other interested groups in the Parish to test the level of support for a community owned and run shop and cafe. 60% of the parish households completed the survey, with 82% of respondents considering a village shop and café as 'important' or 'very important'. 5% of respondents considered the shop not important. 79% of respondents expected to use the proposed shop at least weekly.



The survey indicated a high demand for a community shop selling everyday basics together with fresh produce, dairy, bakery and local produce and crafts. The village also commented that if possible they wanted their shop to provide post office services and incorporate a café.

66 households indicated that they would be prepared to volunteer to work in the shop, 112 wanted to purchase shares in the shop, 40 would consider donating financially to the project and 10 would consider making a loan towards establishing a community shop.

A presentation was given at the Parish Council AGM in May 2016 on the concept of a community shop owned and run by the Village.

In July 2016 a newsletter was sent to households in the Parish outlining the results of the survey and advising that the support that the Village had given towards the establishment of a community shop and cafe gave a clear endorsement to progress the project to the next stage. The Newsletter is attached at Appendix A to this Business Plan.

3.2 Progressing the Project

From July 2016 to April 2017 many activities have taken place to establish an operational structure and to build on the initial market research:

- FCSL was established and registered with the Financial Conduct Authority to act as the operational entity which will run the shop and cafe.
- FCSL joined the Plunkett Foundation (an organisation that helps and supports rural communities to establish co-operatives and social enterprises). FCSL applied for and was awarded funded support from the Plunkett Foundation to review our action plan and has subsequently been given support and advice regarding the availability of grant funding and other areas.
- The Management Committee had a very informative meeting with Mark Rose, External Funding Co-Ordinator from South Downs National Park Authority.
- The Management Committee have visited other community shops in the area and further afield to understand why 97% of community owned shops are highly successful and commercially viable.
- Researched the availability of financial grants and other assistance that we may be able to call upon and have used this research in building a funding plan for how the costs of the shop will be financed.
- Considered potential locations for the community shop considering all the ideas resulting from the survey.
- Engaged a local architect, Richard Atkinson, who lived in the village for many years and has been involved in the various improvements and alterations to the village hall and sports and social club. Richard was appointed following a competitive quote process.
- Engaged solicitors, Barlow Robbins, to advise on charity law issues arising from the use of the recreation ground (which is a registered charity) by the shop and café and to represent us in our dealings with the Charity Commission in this regard.

3.3 Other Community Shops

The working group have visited a number of community stores including:



- A funded study visit with an adviser from the Plunkett Foundation to meet the management committee of Milland Stores
- Kirdford Village Stores
- Lodsworth Larder
- Ide Hill Store (near Sevenoaks).

3.4 Identifying the Optimum Location

The proposed location for the shop and café has been a key consideration. Some of the respondents to the shop questionnaire suggested potential locations and the questionnaire itself set out a number of possibilities. Options reviewed included looking to develop a joint facility with the pub or the Sports and Social Club, utilising land near the Church, developing an outlet near Tripp Hill and the purchase of the property that was used previously by the old village stores.

Having reviewed the possibilities, the optimum location was considered to be at the heart of the community and within walking distance for the majority of village residents, close to the school, recreation ground and village hall. The recreation ground was chosen as the best area, utilising land already owned by the community and utilising the Village Hall parking by agreement.

A detailed review of the recreation ground was undertaken and the Architect's opinion was sought on the options. It was decided that a new purpose-built self-contained building would best meet the needs of the community. The shop would be sited near School Lane on the area currently occupied by the children's playground. This would allow the shop to be positioned close to the road giving ease of access and enabling the shop to sit comfortably within the street scene.

The relationship of the new building to the existing buildings and local road network was carefully considered. Additionally, the interplay between the shop and the existing playground and safety of pedestrians and school children accessing the playground and recreation ground were important factors.

A consequence of the siting of the new shop is that the existing children's playground would need to be re-sited nearer the village hall. Although the playground has been a fantastic facility for the village, the equipment and the playground surface are in need of a refresh. As part of separate project, funds will be raised to provide new more challenging equipment. The Parish Council will own and maintain the new playground. Informal consultations have been held to gain ideas and views on equipment for the new playground. The new playground is not covered in this business plan.

3.5 Public Consultation

In October 2016, a Public Consultation event was held at St Mary's Church to outline the proposals for the new community shop and café. Draft drawings of the location, layout and elevations were displayed. There was good support for the proposals with some well-considered ideas coming forward which have been incorporated into the proposals.

The recreation ground on which the community shop would be built is owned by the Parish Council and is the subject of a registered Charity. The Parish Council and Charity Trustees have indicated their agreement to the shop being located on that land and we have appointed solicitors who are working



with the Charity Commission to update the charity registration to allow use of part of the land by the shop.

3.6 Planning Application

A planning application was submitted for the shop and café together with the children's playground. This was submitted on 6th January 2017. Copies of the planning drawings submitted are attached at Appendix B. By 28 March 2017 when planning permission was granted, the application had received 29 comments of support and two comments of objection.

4 FOOD SHOPPING AND PUBLIC TRANSPORT

4.1 Residents' Food Shopping

The village survey carried out in 2016 showed that most people currently travel to Pulborough or Petworth for supermarket and everyday shopping, with some travelling further afield to Chichester, Horsham and other larger towns. People use online shopping and delivery services and some will use local farm shops or specialist shops for luxury items and/or top up shopping. There are good butchers in Pulborough, delicatessens in both Pulborough and Petworth and farm shops in Bury and Pulborough.

Fittleworth is well served by supermarkets within a short drive from the village. These include:

- 3 miles from Fittleworth, Sainsbury and Tesco have supermarkets in Pulborough and the Co-operative has a small supermarket in Petworth.
- Further afield there is a Waitrose at Storrington and multiple supermarkets in Chichester and Horsham.
- Ocado, Sainsbury, Tesco and Waitrose (and others) all currently deliver regularly to online shoppers locally.

There is no expectation that the proposed community shop and café will replace the weekly shop at one of the major food retailers for families with children or indeed for many other residents within the parish. However, the intention is to provide a store that responds fully to the needs and the desires of the community. The Management Committee believes that the new store would provide an opportunity to do "top up" shopping for many villagers or to purchase luxury items or locally sourced produce and crafts. The café will also attract customers providing an opportunity for local residents to catch up over a drink and/or a snack and cyclists and walkers driving revenue in the store. We also anticipate that the store will attract passing trade as it will be visible and signed from the main A road and signed from the B road passing through the village.

Data from the Association of Convenience Stores shows that a quarter of over 65s visit their local shop every day while 59% of all shoppers visit convenience stores more than once a week. The rise of convenience shopping is due in part to the economic downturn but largely due to the changes in modern lifestyle. Customers across the economic spectrum want to ensure waste is limited and food stays fresh. They are wary of big weekly shops and now prefer a series of mini shops. Convenience



stores are also used as a top up to the online shop for the family shopper. Previously convenience stores had been solely focused on “distress” purchases.

However, while many of the major supermarkets are stepping up the hunt for convenience store locations, commercial village shop closures continue to rise. Community shops now represent a rational and achievable alternative for communities who have lost or are at risk of losing their village shop. In 1992 there were 33 community-owned shops in the UK. Today there are well over 300. According to the Plunkett Foundation, community shops are effectively replacing almost six per cent of all commercial village shop closures.

It is important that a community store caters for the needs of all its customers. Therefore, the market for the store broadly covers:

- Elderly residents and those without cars who may have limited opportunity to travel outside the community given the very limited bus service to the nearby towns
- Families with pre-school age children who may be confined to the community during the school day.
- Parents and carers of children at the Village School, pre-school and nursery. The School, in particular, has many children enrolled who live outside the parish and as the school is adjacent to where the community shop and café will be located, the Management Committee recognises parents and carers will form an important part of the customer base of the shop.
- Users of the Village Hall, Sports Pavilion, Social Club and recreation ground, all of which will be immediately adjacent to the store.
- For children, the store will provide a safe environment in which they will be able to learn how to shop and use money.
- Those residents who commute to work and may have limited opportunity to purchase essential items during that time and often seek impulse purchases at the weekend.
- The growing numbers of visitors to the village, particularly during weekends especially with walkers and cyclists
- Those who come to the village to visit the other amenities on offer, such as those visiting The Swan public house, the antiques shop or sofa store.
- The increasing number of home workers and the self-employed as well as visiting tradesmen.
- Passing lunchtime trade.
- Those who prefer to buy local produce rather than mass produced products

4.2 Market Size

Fittleworth Parish has a population of 978 in 467 households in the 2011 census. The shop would also attract passing trade as well as the cyclists and walkers who are enjoying the rural landscape in which we sit in the South Downs National Park. The store would be located adjacent to the Village School and pre-school which caters for a wider catchment area than the parish.

The village also benefits from those who come to the village to visit the Swan Inn pub, our antiques shop and sofa store or to take part in many of the sports events that take place on recreation ground



which is also adjacent to the site on which the proposed shop and café would be built. There are also yearly events which take place and attract a considerable number of visitors, such as the hugely popular annual Garden Trail and the twice - yearly Village Shows.

4.3 Public Transport

Fittleworth is served by Stagecoach No 1 bus running from Worthing to Midhurst.

In the direction of Petworth and Midhurst the first bus on a weekday is approx. 7.30am followed by buses every hour from 9am to 6.20pm. Weekend buses run every hour on a Saturday and every 2 hours on a Sunday from 9am to 6pm.

In the direction of Pulborough, West Chiltington, Storrington and Worthing buses run every hour from 9am to 7pm Monday to Saturday and every 2 hours on a Sunday.

5 THE NEW COMMUNITY SHOP AND CAFÉ

5.1 Look and Feel of the Shop and Café

The proposed shop and café is 115 square metres internal area and has been designed:

- To provide a welcoming and accessible environment which will meet the needs of the whole community including the elderly, disabled and parents with young children.
- To provide a meeting place for all.
- To provide a well-designed building in a style sympathetic to its Sussex rural location.

The layout is such that the building will overlook both the children's playground and the recreation ground. External paved areas will allow café users to sit outside during good weather. Internally the shop and café are open plan with a counter that will serve the café and shop. Other rooms include a small kitchen area, a secure office, a stock room and a wheelchair accessible toilet.

The design and use of materials including face brick plinth, timber feather-edge boarding, Oak framing and slate roof aims to sit comfortably in the wooded rural village location.

The project will require the removal of an existing mature Lime tree that is the subject of a Tree Preservation Order. The planning permission which has been granted for the shop and café allows this tree to be felled. A replacement tree will be planted on an adjacent part of the site.

5.2 Products and Services to be offered in the shop

The store's offering will be primarily designed to meet the needs of the local community in terms of a full range of grocery products, fresh produce, meal-for-tonight ingredients, top-up items and weekend treats. The emphasis of the store will be to provide produce that is locally sourced wherever possible together with a range of local crafts. The inclusion of local produce and crafts will help to ensure a unique shopping environment which people will want to use and return to.

The range will include:



- Everyday essentials - the store will sell the everyday basics at affordable prices, ranging from bread and milk to ambient goods and household items
- Fruit and vegetables
- Bakery
- Meat and fish
- Frozen food
- Delicatessen items
- Ready meals
- Confectionery
- Some locally produced speciality foods
- Newspapers
- Cards and stationery
- Wines and spirits

The store will provide the following ancillary services:

- Postal Services (recorded delivery and special delivery services, national and international post and parcels, parcel drop off and collection point)
- National Lottery
- Local notice board to advertise jobs, items for sale and items wanted, information about local events and ticket sales
- Information about the local area and the South Downs National Park
- Display for local artists, potters, etc.

We will also investigate the need and possibility of providing other services, such as the drop off and collection of prescriptions from the local surgery, dry cleaning drop off and collection services, second hand book exchange etc.

5.3 Cafe Area

A selection of hot and cold drinks, handmade cakes, savoury items and light meals will be available to purchase and enjoy. The café is a vital part of the project, providing a much-needed social hub bringing together different age groups and social groupings from the parish. In the profit and loss forecast the café also has a valuable contribution, providing a good return which will help ensure the financial viability of the shop and café overall.

It is hoped the community area will be a welcoming space for residents, home workers, and the elderly to informally get together during the day and to exchange news and information.

The café will also be important in attracting to the store the many walkers and cyclists who visit our village and the South Downs National Park.



Free Wi-Fi will be available to customers.

6 FUNDING STRATEGY

Funds for capital investment and working capital will be raised by a combination of grants, the issue of shares in FCSL, donations and local fund-raising.

The target amount is £285,534 for the shop including fit-out, working capital and an appropriate contingency amount. The Management Committee hopes to raise £25,000 of the total required through the share offering in FCSL. More detail about the share offer follows below at Section 6.2.

6.1 Grants

The Management Committee has identified and registered their interest with various potential grant funders.

The Management Committee have made an outline application to West Sussex County Council's Leader programme which has been successful and we have been invited to submit a full application which is currently being prepared. This is potentially a significant grant (we will be applying for the maximum amount of £75,000 towards the build costs of the shop). We have a good level of confidence, based on our initial meeting with the Leader programme representatives, that our application will be successful.

We have also submitted:

- an Expression of Interest Form to the South Downs National Park Sustainable Communities Fund. Again, this has been successful and we have been invited to submit a full application. We will be applying for £10,000 towards the costs of fitting out the shop and related items such as cycle racks and information boards
- a grant application form to the Prince's Countryside Fund. We have applied for £50,000 towards the costs of fitting out the shop, working capital and staff costs. There are many applications for this fund so although we hope to receive some form of grant from the Fund we think it unlikely we will receive the full amount applied for.

We will also be making applications to Chichester District Council, the Reaching Communities National Lottery Fund and the Tudor Trust. We also continue to identify further sources of grant funding.

6.2 Issue of shares

In Summer 2017 we will be launching a share offer in FCSL, with a formal share offer document which will set out the benefits, rights and liabilities of share ownership. The share offer will be open for a 6 week period which is designed to give "investors" (over the age of 16) the opportunity to contribute financially to the success of FCSL. Most shareholders are expected to come from the local community



but contributors from further afield will of course be welcomed. In the village survey conducted in 2016 a number of people indicated they would be interested in buying shares.

Shares will cost £25 each with a minimum shareholding of one share and a maximum shareholding per person of 60 shares (i.e. a maximum individual shareholding of £1500). Each shareholder will have one vote, irrespective of the number of shares that they hold. Holding shares gives the shareholder the right to vote on decisions affecting the future of the shop at annual general meetings and the right to stand for election to the Management Committee.

Buying shares will be a long- term investment in the shop. There will be no interest or dividend paid on shares and shares will not increase in value. The benefit of holding shares is a social investment – with a thriving community store and social hub for the village.

The Management Committee have set a target amount to be raised through the share offer of £25,000. Any additional amounts raised between £25,000 and £40,000 will be used to reduce our dependency on grants and increase the working capital. If the share offer fails to raise £15,000, the offer would be deemed to have failed and it would not be possible for the Management Committee to move forward with the project. At this point, all subscriptions would be returned without loss.

Shares in the society are non-returnable within three years. However the investors, as shareholders, are the owners of the business and have voting rights and the right to stand for election to the Management Committee.

FCSL intends to register with the Seed Enterprise Investment Scheme (SEIS). SEIS is a government scheme devised to encourage investment in new enterprises and which offers 50% tax relief to investors. Details can be obtained from www.gov.uk/business-tax/investment-schemes.

6.3 Donations

Some individuals may prefer to donate money rather than buy shares and some individuals may wish to donate money in addition to purchasing shares (given that there is a maximum shareholding of £1500 per individual). Donations can be made to a registered charity which will enable donations to attract gift aid (with its tax advantages for the individual donating and the advantage of a greater sum being received by the charity). There is a registered charity in existence which will be used to receive donations and will pass them on to FCSL for the purposes of building and kitting out the shop.

To date, FCSL has already greatly benefited from a number of generous donations from residents to a value of £28,550. Some of this amount has been used towards the set- up costs of the projects, such as architect's fees and legal fees and the remainder will be used towards the project more generally. FCSL has also been supported by Fittleworth Parish Council, who have paid for the printing costs of the 2016 village survey and the subsequent newsletter publishing the results of that survey and also FCSL's membership of the Plunkett Foundation and the cost of the membership rules required to establish the Society (totalling £1,300 approx).

Donations will be vital to the success of the project.



7 ORGANISATION AND LEGAL STRUCTURE

7.1 Operational structure

FCSL has registered as a Community Benefit Society under the Co-operative and Communities Benefit Societies Act 2014. The purpose of a Community Benefit Society such as FCSL is to carry on business for the benefit of the community. Assets owned by the society are locked into the society and will be solely for community benefit. The society is regulated by the Financial Conduct Authority.

FCSL is a not for profit organisation. It has share capital, but it is not made up of equity shares like those in a company limited by shares which appreciate or fall in value with the success of the enterprise that issues them. Shares in FCSL cannot rise in value and may even decrease (if liabilities exceed assets). FCSL does confer limited liability so, should the project fail, there is no further liability on shareholders. The share typically acts as a “membership ticket” and voting is on a one member one vote basis. The maximum individual shareholding is set at £1500 to ensure a wide shareholder base.

The key features of a registered Community Benefit Society under the Co-operative and Communities Benefit Societies Act 2014 are that the Society has:

- A written set of rules which governs the way the Society has been set up and operates (available from the Community Shop page of our village website, www.fittleworth-pc.org.uk or on request to the Management Committee)
- The ability to own property
- The ability to enter into contracts
- A more lightweight regulatory regime (as a Community Benefit Society is not subject to company law)
- Limited liability (i.e. members’ liability is limited to the value of the shareholding)
- A profit-making ability, which under our rules is either put back into the organisation or to be used in community or charitable projects
- A recognised legal identity for community co-operatives

The Management Committee has registered FCSL with the Financial Conduct Authority (FCA) using Plunkett Foundation Limited model rules without any rule changes. The Plunkett Foundation promotes and supports community co-operatives with approved model rules for the establishment of community associations as Community Benefit Societies.

The society is registered as The Fittleworth Community Shop Ltd.

Registration number: 7386



7.2 Other legal issues

FCSL is registered with the Information Commissioner's Office in respect of its use and handling of personal data.

FCSL will shortly be registered for VAT with HMRC.

7.3 Management Committee

The present Management Committee is made up of 5 Fittleworth residents with a mixture of skills and professional and business experience. Profiles of the Management Committee are found in Appendix C.

The Management Committee will:

- As obliged under the constitution of FCSL, all stand down at the first AGM when individuals may offer themselves for re-election
- Be selected by members' votes at the AGM each year
- Provide an annual report of activities and finances to all members and annual return to the FCA
- Provide monitoring information as required by any grant bodies

7.4 Store Managers

We are intending to recruit a Shop Manager and Assistant Manager. These two Managers will be assisted by volunteers. It is felt that by using this model it is possible for the Management Committee to retain control of the look and feel of the store but benefit from the experience of the right manager.

It is therefore intended to recruit a full time salaried store manager and assistant manager. The role would include management of stock (including ordering and stocktaking), volunteer training and rota scheduling, support and managing, daily cash flow, marketing and initiatives and local supplier relations.

7.5 Volunteers

The role of volunteers is crucial in the success of the store as a community venture. They will be highly visible in demonstrating that the business is community owned and supported. Their presence will give a sense of ownership and contribution to the business.

The volunteers will support the business by carrying out a number of functions within the store to assist the manager including operating the tills and stacking shelves, serving in the shop and café and cleaning. Their wider role will cover community involvement, for example offering lifts to the store to people who do not have cars or for delivering orders or collecting stock from the cash and carry. In addition, there will be opportunities for volunteers who can offer practical skills such as in relation to basic maintenance of the building and equipment. All store based volunteers will be trained and supported by the paid manager and are requested to commit to between two and four hours on a



regular basis. Work experience and students will also be encouraged to participate under supervision from the paid staff.

Between 40 and 50 volunteers will enable double banked support for full time paid staff.

The 2016 shop survey showed a strong positive reaction to volunteering, with 66 people saying that they would consider volunteering in the shop and café.

7.6 Plunkett Foundation Support

FCSL has become a member of the Plunkett Foundation, the only national organization supporting the development of community shops in the UK. Membership provides access to:

- Specialist support programmes, regional community advisers, mentors and experts, as well as online, telephone and email support
- A wide range of toolkits and resources ranging from legal structures, business planning, financial management, sourcing local food and marketing
- A bespoke community shops' website which hosts an online forum, providing a platform for enterprises to share best practice, gain inspiration and warn of common pitfalls.
- Appropriate model rules to undertake a community share issue and guidance and support on the share issue
- Press and media advice
- Specialist business support which is funded by its partners including the Co-operative Enterprise Hub, Big Lottery, and Department of Communities and Local Government
- The Plunkett Community Shop Network which provides access to a range of heavily discounted goods and services

8 FINANCIAL PLANNING

8.1 Capital Requirements

The estimated costs associated with building and establishing the shop are set out in the following table:

Category	Estimated Cost
Architects, legal and other build fees	£15,000
Construction of Shop and Café	£164,700
Fit out of Shop and Café, Systems etc	£30,300
Contingency	£21,000
Working Capital and Initial stock	£15,000
Non-Recoverable VAT	£39,534
Total	£285,534

8.2 Funding Sources

The shop will be funded through shares, grants, fund-raising events and donations.

The following gives an indication of the target level for each of those funding sources

Source	Amount
Shares	£25,000
Parish Council	£1,500
Donations	£122,500
Fundraising	£2,000
Grants	£135,000
Total	£286,000

8.3 Profit and Loss Forecasts

The following table provides the profit and loss forecast for the store. The model suggests that the business will break even in the first year and generate a modest profit thereafter.

The turnover and expenditure assumptions have been based on discussions with several other community shops of a comparable size and scale to our proposed store. For year one, a modest turnover of £182k pa for the shop and £54.6k pa for the café has been assumed. £182k pa for the shop is £500 per day; approximately 12 customers per hour of opening each spending £5 would achieve this target. £54.6k pa for the café is £150 per day. 30 customers per day each spending £5 would achieve this target. All calculations are at current day prices.



To test different growth scenarios the model assumes a modest growth rate of 10% pa on low growth and 20% on high growth for the shop and 40% on high growth for the cafe with additional staffing being built into the model for the higher growth forecasts.

Wastage has been calculated at 2% of turnover for the shop and 3% of turnover for the cafe.

The model assumes a Manager and Assistant Manager paid 35 hours per week each, working mornings and afternoons respectively with overlapping cover at lunchtime. Additional support with volunteers is also assumed with more experienced volunteers present when the paid staff are on days off. An allowance has been made for 15 hours of casual staff in year 1 rising thereafter. With the high growth scenarios, additional staff are employed.

8.4 Profitability Objectives

The shop and café are a non-profit making venture with any excess funds (beyond a working excess) being reinvested into the community (through community or charitable projects). A process will be developed to set out a mechanism whereby decisions are made in accordance with the published rules of FCSL as to where and how the excess funds are invested for the benefit of the community.

The profit and loss forecast for the first three years is shown on the following page.



FITTLEWORTH STORES

Profit and Loss Forecast	Year 1	Year 2		Year 3	
		Low	High	Low	High
Sales					
Total Turnover	236,600	260,260	294,840	286,286	369,096
Turnover - shop	182,000	200,200	218,400	220,220	262,080
Gross margin - shop	41,860	46,046	50,232	50,651	60,278
Wastage - shop	3,640	4,004	4,368	4,404	5,242
Turnover - Café	54,600	60,060	76,440	66,066	107,016
Gross Margin - café	27,300	30,030	38,220	33,033	53,508
Wastage - Café	1,638	1,802	2,293	1,982	3,210
Sales Income	63,882	70,270	81,791	77,297	105,334
Expenditure					
Salaries	35,882	35,882	44,659	44,659	52,561
Rent	-	3,000	3,000	4,500	4,500
Rates & Licences	2,000	2,000	2,000	2,000	2,000
Utilities	8,000	8,000	8,000	8,000	8,000
Insurance	1,500	1,500	1,500	1,500	1,500
Office Supplies	2,000	2,000	2,000	2,000	2,000
PPS, Phone and Internet	1,000	1,000	1,000	1,000	1,000
Repairs & Maintenance	2,000	2,000	2,000	2,000	2,000
Promotions & Publicity	2,000	1,500	1,500	1,000	1,000
Recruitment	1,000	1,000	1,000	1,000	1,000
Sundry Expenses	2,500	1,500	1,500	1,000	1,000
Legal & Professional	2,000	1,000	1,000	1,000	1,000
Accountancy Fees	3,000	3,000	3,000	3,000	3,000
Bank Charges	1,000	1,000	1,000	1,000	1,000
Total Expenditure	63,882	64,382	73,159	73,659	81,561
Net profit/loss before taxation	0	5,888	8,632	3,639	23,773
Taxation at 19%	0	1,119	1,640	691	4,517
Net profit/loss after taxation	0	4,770	6,992	2,947	19,256

9 BUSINESS PLANNING

9.1 Project Plan

A project plan has been developed. The current version is included in Appendix D. It is constantly reviewed and updated by the Management Committee.

The historic and forthcoming key target dates are shown below:

Key Tasks	Date(s)
Form Working Party	January 2016
Parish Survey	April 2016
Presentation at Parish Council AGM	May 2016
Survey Results Newsletter	July 2016
Appoint Architect	August 2016
Public Consultation	October 2016
Submit Planning Application	January 2017
Submit Charity Commission Consent Request	February 2017
Planning Permission Granted	March 2017
Grant Applications Process	March – Sept 2017
Issue Share Prospectus	June 2017
Shop/Playground Build commences	Jan 2018
Shop/Playground open	July 2018

9.2 Communication and Marketing

The Management Committee has endeavoured to achieve a high level of communication and engagement with the residents of the parish throughout the lifespan of the shop project.

Examples of early engagement include:

- Parish Survey to determine the need and appetite for a community shop
- Presentation at the Parish Council Annual General Meetings
- A regular article in the monthly Parish Magazine
- Lots of information available on Community Shop page of the Parish website, www.fittleworth-pc.org.uk
- Consultation event in the Parish Church



- Regular email communications to those that gave their email address in the Shop Survey. Since February 2017 this has taken the form of a regular monthly Newsletter providing detailed updates on progress on the project
- A notice board detailing the outline plans and elevations included in the Planning Application erected near the Children’s playground and in the village hall
- A dedicated Facebook page for the community shop on which we post news and information two or three times a week.

We have developed a logo and name for the community shop and café in consultation with a village resident who is a creative brand designer. The logo appears at the top of each page of this Business Plan.

Appendices

Appendix A – Summary of Survey Results

Appendix B – Planning Application Drawings

Appendix C – Management Committee Profiles

Appendix D – Project Plan



Appendix A – Summary of Survey Results

FITTLEWORTH COMMUNITY SHOP AND CAFE SURVEY RESULTS

1 THE SHOP QUESTIONNAIRE

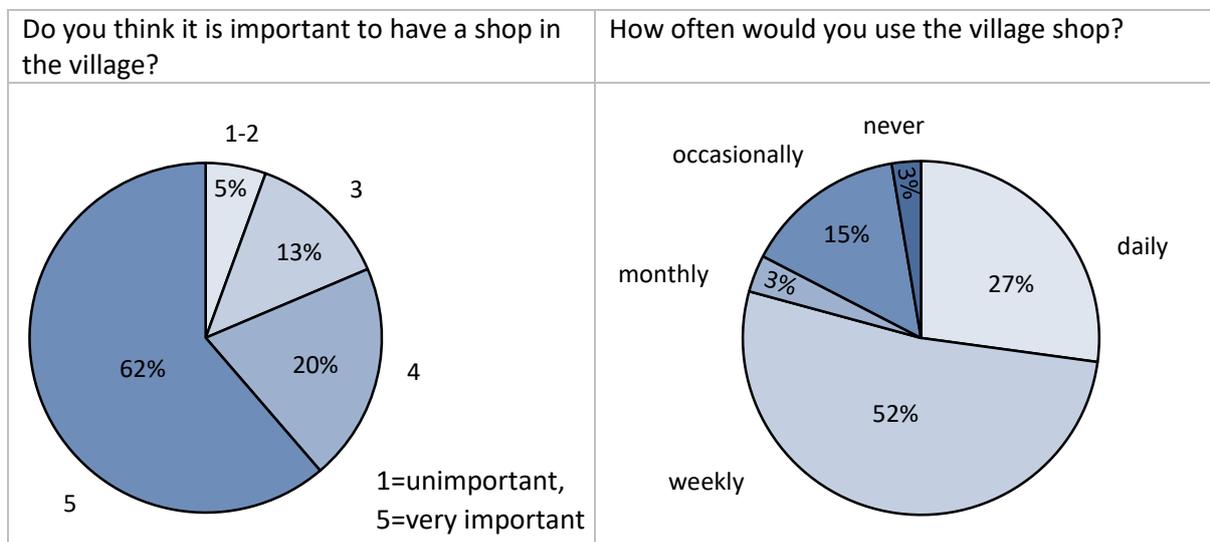
In April village shop questionnaires were distributed to 437 households in the Parish. The purpose of the questionnaire was to see whether residents would support and use a community owned and run village shop and café and to seek some initial views around a possible location for it. 60% of the questionnaires were completed and returned, providing a clear indication on the views of the Parish.

Additional surveys were completed by members of the Fittleworth Sports and Social Club who live outside the Parish, as some of the location options would impact on the activities of the club. Parents of children at the Fittleworth Village School who live outside the Parish were also given the opportunity to complete the survey as they are likely to form part of the customer base for the shop and cafe. In both cases the results have been analysed separately and have not been included within the main survey results shown below (although mention is made of the views of both groups in this newsletter).

This newsletter sets out some of the key findings from the survey. If you would like to see the full results, they are on the “Village Shop” page of the village website (www.fittleworth.info).

2 HOW IMPORTANT IS IT TO HAVE A SHOP AND CAFE?

The survey showed that there is very strong demand for a shop and café. The questionnaire asked residents to rate the importance of a shop and café, with 5 being very important and 1 not important. 82% gave a rating of 4 or 5. Of the 5% giving a rating of 1 or 2 and therefore stating that a shop was unimportant to them, a number commented that they were used to not having a shop in the village and had adapted their shopping habits accordingly.

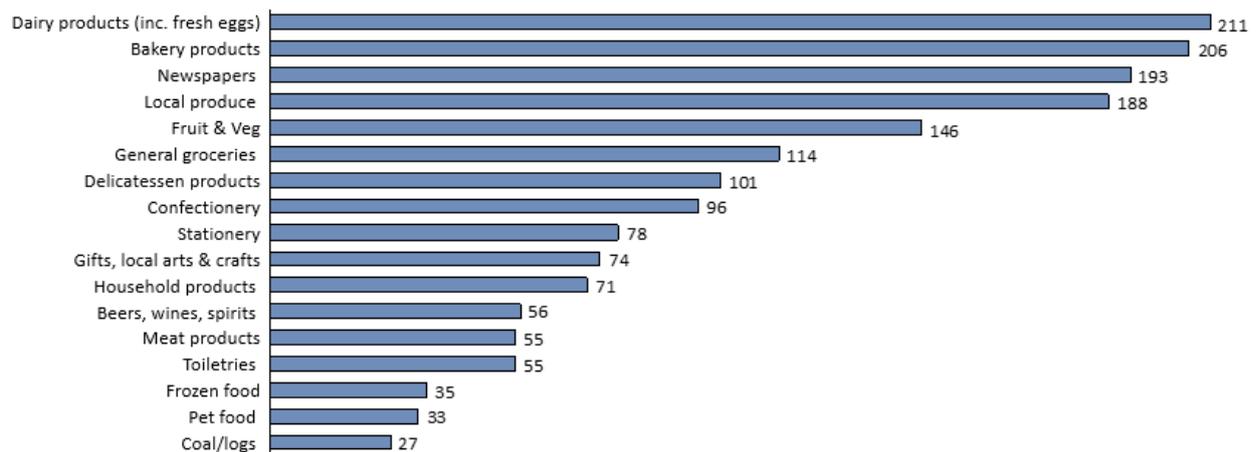


The strong majority of respondents (79%) expect to use the shop on a daily or weekly basis

The Sports and Social Club respondents were generally not supportive of a shop – only 2 of the 24 respondents gave a score of 4 or 5. By contrast all of the School respondents considered a shop and café either very important or important.

3 WHAT SHOULD THE SHOP SELL AND WHAT SERVICES SHOULD BE OFFERED?

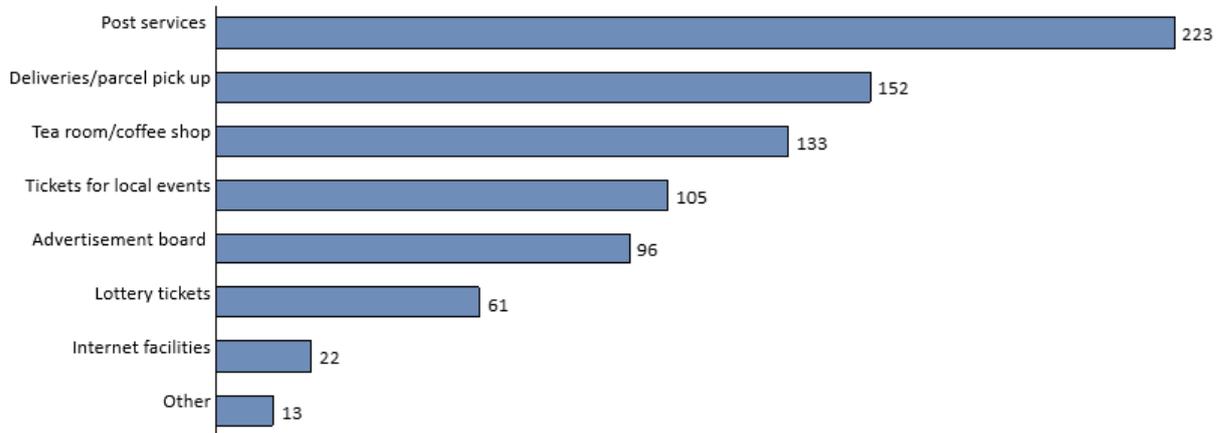
The survey showed that there is demand for a full range of groceries and local produce. Dairy products, bakery products and newspapers were particularly requested. Many said that it would be important to ensure that bakery products, fruit and vegetables and meat are of high quality and locally sourced where possible.



We had many useful suggestions for other items that could be sold with sewing items, postage stamps and over the counter medicines and first aid items being frequently suggested.

Residents are particularly keen to ensure that we provide postal services and a café was also seen as a valuable addition. Many commented that we need to get the ambience of the café right for it to be successful and the coffee must be good! Suggestions for other services included dry cleaning and a pay point for gas and electricity.

The graph on the next page shows the number of households in favour of the various categories of services suggested in the questionnaire.



We also asked specifically whether households would like us to sell alcoholic drinks and cigarettes. 14% of respondents said they would prefer alcoholic drinks were not sold, with 32% being in favour and the remainder saying that they did not mind either way. The position with cigarettes was a little different with 42% stating they would prefer they were not sold and only 10% positively in favour.

4 OFFERS OF HELP AND SUPPORT

We were delighted with the many offers of help and support and were particularly touched by the number of elderly residents who said they would have liked to volunteer to work in the shop but felt they were too infirm to be able to do so.

We had a fantastic 66 people who said they would be prepared to volunteer to work in the shop and cafe - a number which will enable us to ensure that volunteering is not a burden to those involved and can be flexible enough to work around volunteers' other commitments. We even had offers from a number of School parents living outside the Parish to volunteer to work in the shop which is much appreciated.

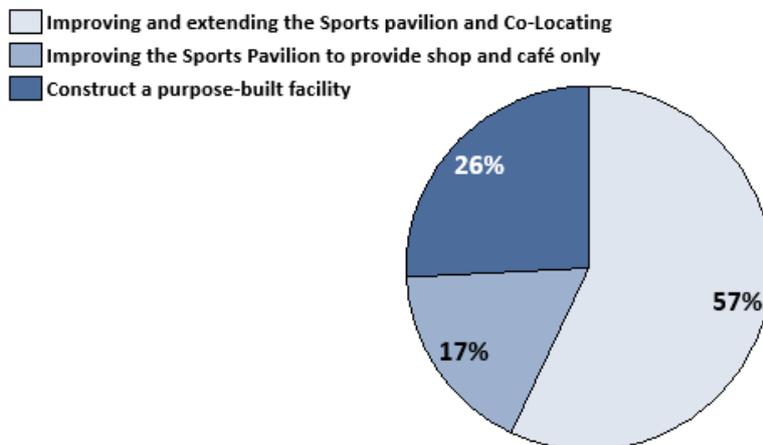
Many are prepared to financially support this project. The concept of shares in particular has been hugely popular with 42% being interested in purchasing them. In addition, 16% were prepared to consider a donation. We consider that this level of financial support, combined with the grant funding we would apply for, gives us the confidence that we can secure the necessary money to proceed with the project.

The questionnaire also asked if respondents might be able to offer professional or other relevant advice or support. There were many responses offering a wide range of skills and experience. They included planning, engineering, building, design, retail, marketing, financial, legal, HR and IT support. We will be in touch with those who have offered to support us as the project progresses.

5 LOCATION

The questionnaire asked for comments and views on some initial considerations around location. The full results on the website contain some of the comments we received on the options.

There was a clear preference for either improving and extending the existing sports pavilion building or building a new purpose built facility. Many of the respondents did comment that they felt a new purpose built facility was the optimum solution but they had not ticked the option as they were concerned that it was the most expensive option. The Sports and Social Club in particular were strongly in favour of a new purpose built facility, with 100% voting for this option.



A number of alternative locations were suggested, which we are now reviewing. The next step is to determine the preferred location or locations bearing in mind the feedback from the survey and our further review of the available options.

6 WHAT HAPPENS NEXT?

We feel that there is sufficient support and demand in the parish for a village shop so we will continue to develop plans for the village shop and cafe, taking into account the feedback we have received from the village survey. Our next step is to determine the preferred location and prepare detailed plans and costings. When the plans are sufficiently developed we will share more information accordingly.

The Village Shop page on the village website will be regularly updated to show progress we are making. If you have any questions or would like to discuss anything informally, please get in contact with any member of the Village Shop Working Party:

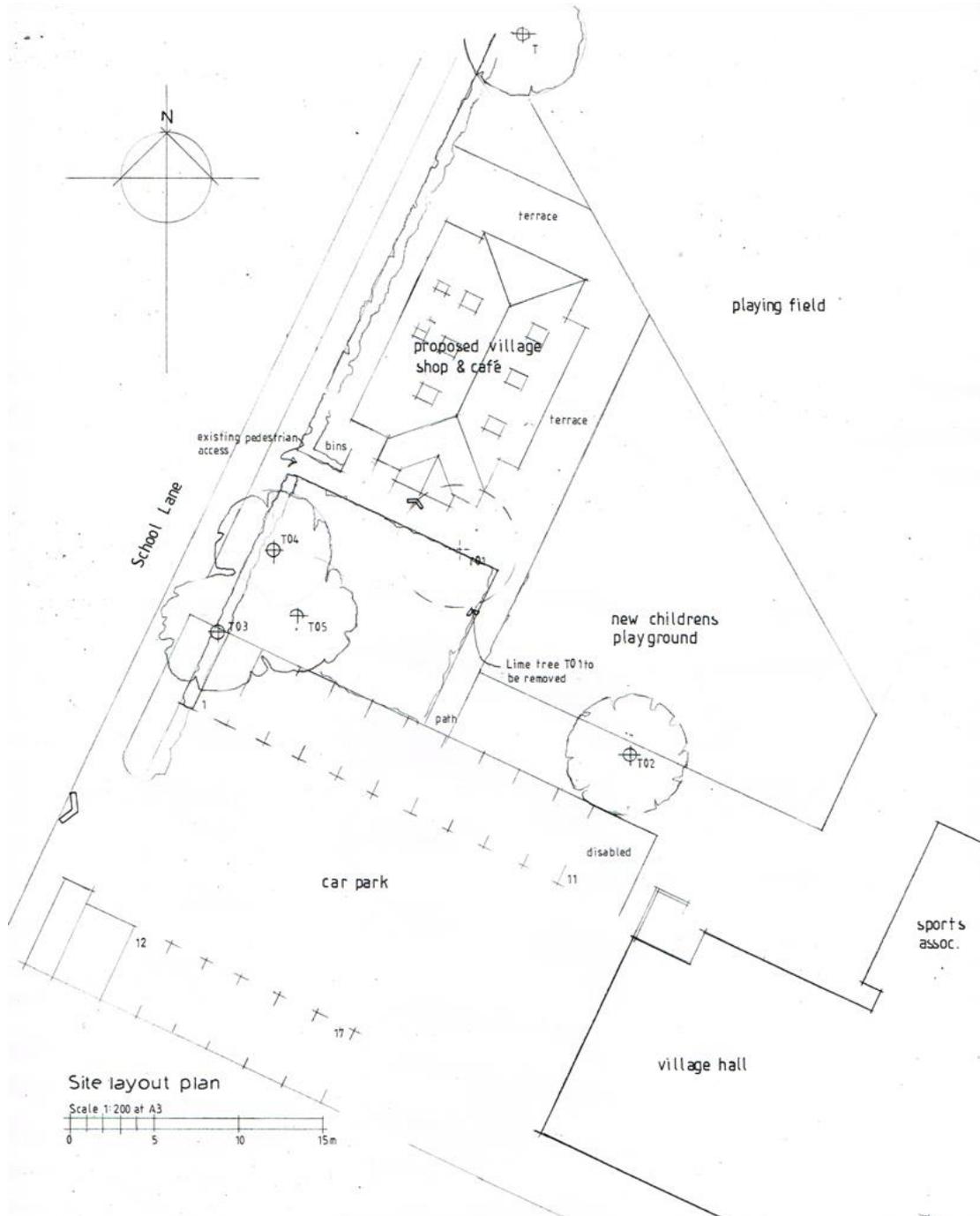
Alison Welterveden	welterveden@btinternet.com	01798 865650
Mick Foote	footemichael1@gmail.com	01798 865156
Shelagh Morgan	shelmorg@btinternet.com	01798 865036
Sammi Leese	sammi@theramble.co.uk	01798 865106
Revd Colin Datchler	colindatchler@hotmail.co.uk	01798 865472



Appendix B – Planning Application Drawings

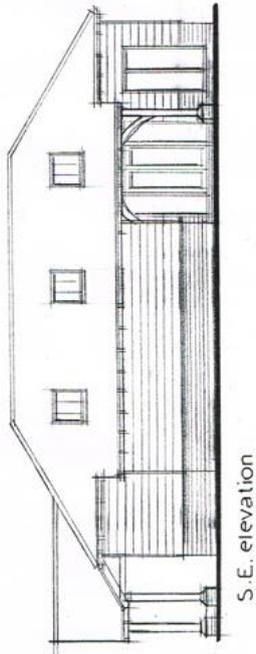
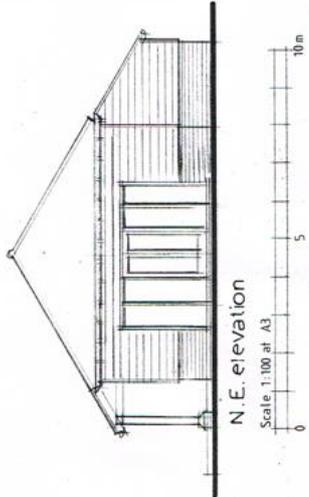
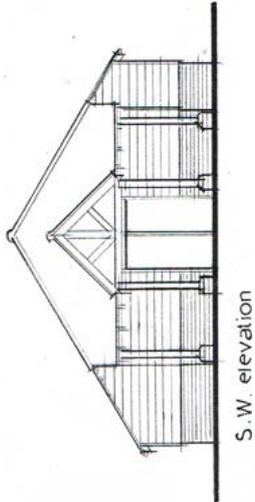
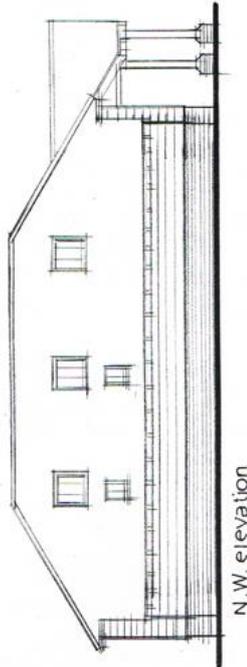


FITTLEWORTH STORES



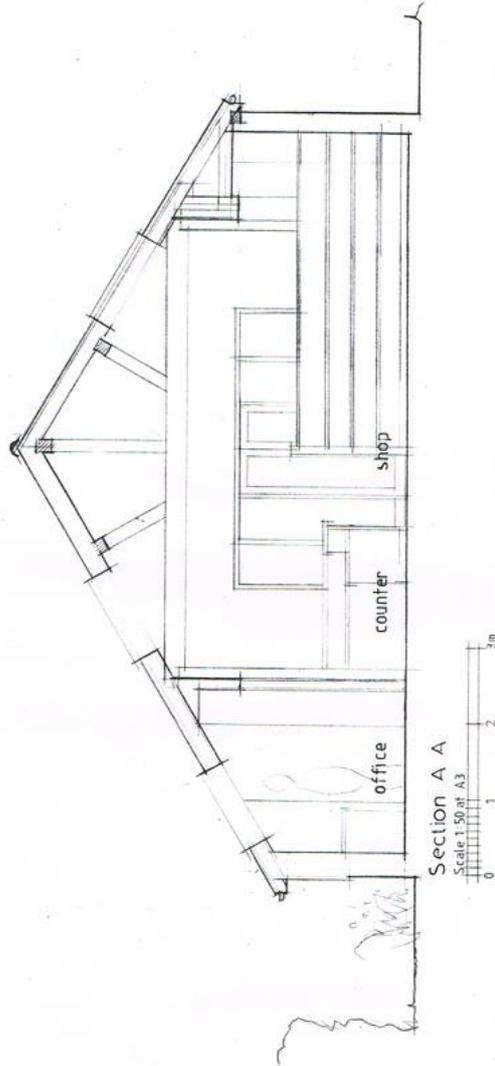
RJCA Chartered Architects
The White House, 2 Lavant Road
Chichester, West Sussex PO19 5RQ
Tel: 01243 779600
Mobile: 07973435493
Email: rjcatkinson@btinternet.com

Project Name: Fittleworth Village Shop & Café
Drawing: Site layout plan (Scale 1:200 @ A3)
Drawing Number: 2016/12/04
Rev. C



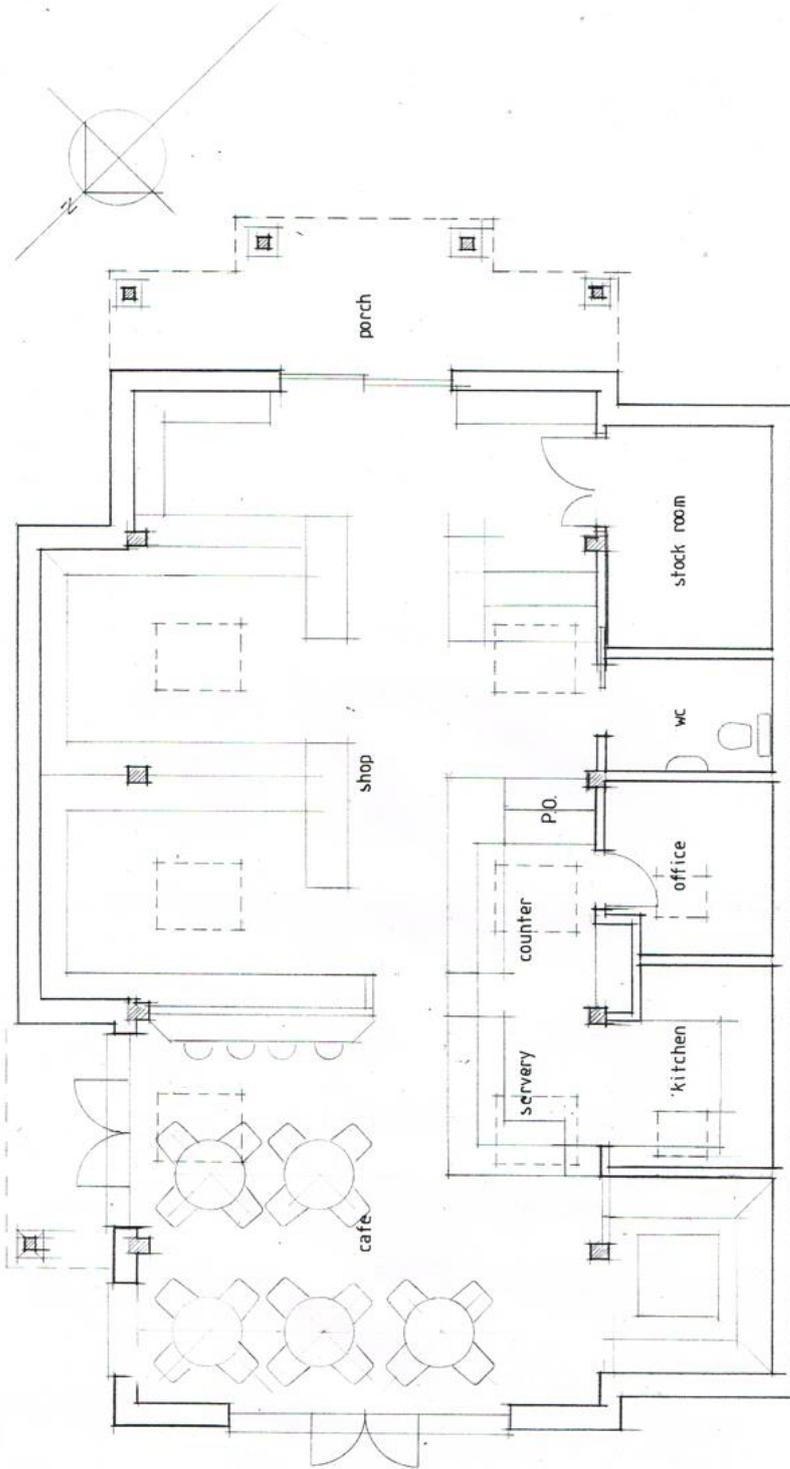
Project Name: Fittleworth Village Shop & Café
Drawing: Elevations (Scale 1:100 @ A3)
Drawing Number: 2016/12/03
 Rev. B

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 Email: rjcatkinson@btinternet.com

Project Name: Fittleworth Village Shop & Café
Drawing: Section A-A (Scale 1:50 @ A3)
Drawing Number: 2016/12/02
 Rev. [▲]



Floor plan

Scale 1:50 at A3
0 1 2 3m

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The White House, 2 Lavant Road
Chichester, West Sussex PO19 5RQ

Tel: 01243 779600

Mobile: 07973435493

Email: rjcatkinson@btinternet.com

Project Name: Fittleworth Village Shop & Café

Drawing: Floor plan (Scale 1:50 @ A3)

Drawing Number: 2016/12/01

Rev. 



Appendix C – Management Committee Profiles

Chairman Alison Welterveden. Alison moved to Fittleworth with her family in November 2014. Alison is a qualified solicitor having been a Partner in a City law firm and subsequently in house legal counsel for a major IT services company. She is currently enjoying a career break whilst considering her next career move. Alison is also on the Fittleworth Parish Council.

Vice Chairman Mick Foote. Mick was brought up in Horsham and was a regular visitor to Fittleworth in the mid-70's. He moved here in September 2014 from Arundel. He is a Civil Engineer and has many years experience in delivering construction projects. Mick is also on the Fittleworth Parish Council.

Secretary Shelagh Morgan. Shelagh moved to Fittleworth in 2000. She works in social housing and is currently the Director of Housing for Chichester Greyfriars Housing Association. Her other interests include being a member of the Parish Council and a variety of voluntary roles within the Methodist Church.

Treasurer Sammi Leese. Sammi grew up in West Sussex and moved to Fittleworth in 2008 with her family. Her two sons attend Fittleworth Village School where she is a Governor and actively involved in Forest Schools and well being.

Member Rev'd Colin Datchler. Colin moved with his family to Fittleworth in 2016 to take up the position of Priest-in-Charge of Fittleworth and Stopham. With a previous career in West Sussex Social Services, Colin feels passionately about helping to build community and meeting community needs.



Appendix D – Project Plan

Community Shop Project Plan																			
Activity	2017												2018						
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Finance																			
Research/prepare grant applications																			
Submit grant applications																			
Prepare share prospectus																			
Issue share prospectus																			
Prepare letter to donors																			
Prepare investor pack for major donors																			
Issue donor letters/packs																			
Set up fundraising committee																			
Decide on fundraising events																			
Community fundraising																			
Build																			
Planning Permission																			
Prepare tender specification																			
Prepare building regs application																			
Get quotes for shop build																			
Prepare tender spec for playgrounds																			
Get quotes for playgrounds																			
Parish Council approval for playground tender process																			
Pre Planning Application for playground area 2																			
Build - secondary area of play equipment																			
Build/fit-out - shop and playground																			
Shop and café open!																			
Operations																			
Apply for local post office services																			
Advertise for shop manager posts																			
Recruit volunteers																			
Locate potential suppliers																			
Draft policies for staff etc																			
Lottery terminal																			
Marketing/Communications																			
Set up mail chimp mailing list																			
Set up facebook page																			
Set up Instagram																			
Set up shop website																			
Determine brand identity																			
Legal																			
Application for Charity Commission consent																			
Agree lease between Council and Shop																			
Register recreation ground charity for gift aid scheme																			
Register with HMRC for VAT?																			
Draft employment contracts for staff																			
Obtain licence to sell alcohol																			