

# Barthol Chapel Community Kirk Hall Project

## Draft Business Plan

### Operational Considerations

The building will be available for hire 7 days a week, 8am – 9pm, except for Sunday mornings, which will remain reserved for the weekly church service. Hire outside of these hours may be available by special arrangement. The plan to provide a separate meeting room / vestry within the church hall will allow dual usage of the facilities.

Hirers will be made aware that the management committee reserve the right to cancel bookings with reasonable notice for extra-ordinary church events such as weddings and funerals, however these have been limited to 1-2 per year in recent years.

It is proposed that access to the hall will be available via an electronic keypad and keys provided for regular hirers. Volunteers from the church and community will manage bookings and access and provide routine cleaning and maintenance of the facilities as required. Depending on usage and income there may be a requirement for part-time employee to support day-to-day management.

### Pricing Structure

The hiring of the church hall will be the main source of revenue for the proposed facilities. A dual pricing structure is designed to provide access for the community at minimal cost, with higher rates for commercial use that are competitive with similar facilities in the surrounding area, taking into account the more basic catering and toilet facilities in the building.

Rates, which are inclusive, may be updated on an annual basis to reflect changes in facility overheads and usage. Additional reductions in rates may be available for regular block bookings or new business use by negotiation.

The building will remain available for church activities, the Formartine Youth Project and the monthly community Café without charge.

The aim is for the project to operate at a small profit to sustain a small surplus of funds to cover to fluctuations in operating costs or a short-term reduction in usage. Based on the projected usage and net income, it may be possible to reduce community rates to minimise the cost for local residents to use the building.

The following tables illustrates the provisional pricing assumptions.

<b>Main Hall Hire</b>	<b>Community rates</b>	<b>Commercial rates</b>	
Hourly	£10.00	£20.00	
Half day (4 hrs)	£30.00	£60.00	25% discount
Day (8 hrs)	£48.00	£96.00	40% discount
Week (5 days)	£200.00	£400.00	50% discount

<b>Meeting Room Hire</b>	<b>Community rates</b>	<b>Commercial rates</b>	
Hourly	£5.00	£10.00	
Half day (4 hrs)	£15.00	£30.00	25% discount
Day (8 hrs)	£24.00	£48.00	40% discount
Week (5 days)	£100.00	£200.00	50% discount

<b>Equipment Hire</b>	<b>Community rates</b>	<b>Commercial rates</b>	
Audio Visual	£10.00	£20.00	

Services hire for additional washroom/catering facilities would be charged at cost.

### Indicative Usage Timetable (Year 3)

	MONDAY		TUESDAY		WEDNESDAY		THURSDAY		FRIDAY		SATURDAY		SUNDAY	
	MAIN HALL	MEETING ROOM	MAIN HALL	MEETING ROOM	MAIN HALL	MEETING ROOM	MAIN HALL	MEETING ROOM	MAIN HALL	MEETING ROOM	MAIN HALL	MEETING ROOM	MAIN HALL	MEETING ROOM
08:00			Exercise Class				Exercise Class							
09:00									Indoor Bowls					
10:00	School Use		Toddler Group		Community Friendship		Community Healthcare / Computer Club	Business Use			Community Café / Sport		Sunday Service	Sunday School
11:00									Funeral					
12:00		Private Use												
13:00					School Use									
14:00														
15:00	After-school club		After-school club		After-school club	Private Use	After-school club		After-school club		Birthday Party / Craft Fayre		Birthday Party / Craft Fayre	
16:00														
17:00														
18:00						Bible Studies	BCCA meeting / SWI meeting / School event							
19:00	Indoor Bowls	Guild Meeting	Martial Arts / Dancing	Book Club	Art Class / Choir			Evening Class	Youth Group		Evening Dance / Concert		Badminton	
20:00														

**Key**

	weekly	ad-hoc
Community	<span style="background-color: #90EE90; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	<span style="background-color: #E0FFE0; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>
Commercial	<span style="background-color: #FFDAB9; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	<span style="background-color: #FFF2CC; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>
Church (no hire fee)	<span style="background-color: #ADD8E6; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	<span style="background-color: #ADD8E6; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>

## **Notional Usage**

Notional usage of the hall has been projected based on the indication of demand from community engagement surveys.

One of the primary uses of the hall is envisaged to be as large open indoor space that Barthol Chapel Primary School can use during term time (38 weeks) for sports, drama or music and as a daily after-school club.

There is additional demand for day time use as a weekly local toddler group and similar friendship groups and community workshops that offer opportunities for socialising, integration and local support to combat potential loneliness and isolation in rural communities.

It is assumed that community led or commercially run sports and recreation (e.g. badminton, bowls, yoga, dancing, art) will occur regularly during the morning (2-3 per week) and evening (2-4 per week).

There is existing demand from the Barthol Chapel Community Association (BCCA) for evening meetings and events on a monthly or quarterly basis.

The church will continue to be used for the weekly Sunday service. The community café is assumed to continue using the space a least one Saturday morning per month and the Formartine Youth Project one evening per month.

Weekend usage will be supplemented by hire for children's parties and evening events (community socials, ceilidhs, concerts and school performances etc.), both assumed to occur roughly once a month. Full and half day hire is anticipated several times a year for craft and Christmas fayres.

A self-contained space is planned at the rear of the building to act as a vestry and meeting room that will be available to hire for smaller meetings and personal use and will allow dual use of the building. This area also provides an opportunity for the community to access high speed Internet that is not available to residents living outside the immediate settlement of Barthol Chapel.

## **Income Assumptions**

The projected income from room hire for Year 1 assumes conservative uptake of the new facilities during the first few months. Usage totals ~390 hours or ~8 hours per week, excluding church and fundraising activities. Community usage is anticipated to account for ~90% of usage in Year 1.

Usage is expected to increase significantly in Year 2 to ~1,230 hours or ~24 hours per week. This level of usage is in line with the demand indicated from the community surveys. Over half the increase is attributed to the start-up of the after-school club with the remainder from a doubling in the level of community (non-school) and commercial usage.

A further increase in usage is expected in Year 3 to ~1,710 hours or ~33 hours per week based on an increase in community usage and improved marketing to maximise commercial and business usage.

By Year 3, it is assumed that most of the usage (~80%) will still be by the school and the community, totalling approximately 1,350 hours per year and contributing over 60% of the projected annual income. 530 hours (~40%) of the community usage is associated with school use and the after-school club. Income from small businesses hiring at the higher commercial rate is assumed to provide an additional 390 hours per year, contributing ~35% of the projected income.

It's anticipated that ongoing community fundraising via donations at the regular community café and other events will supplement income from room hire. An annual target of £1,000 is included.

## **Expenditure Assumptions**

The largest uncertainty in expenditure is heating and lighting the building. The projected demand for the facilities assumes daily usage of the hall, with costs increasing year on year in line with usage. A conservative estimate has been taken for the cost of heating the building as it is not currently known what the chosen heating system will be, however the design of the renovated facility will consider energy efficiency to ensure it minimises the carbon footprint and so that energy costs are kept low.

The other significant potential expenditure is staffing cost if the day-to-day management of the building cannot be sustained by volunteers within the community. Provision has been made for one part time position at an hourly rate of £8/hr, plus an additional 25% of the annual salary for contributions to pension, national insurance, sickness etc. This cost is only likely to be required if demand and therefore income is high.

## **Net Income Assumptions**

A small net income of ~£300 is expected in Year 1. This is projected to increase to ~£3,400 in Year 2 and ~£6,300 in Year 3 as operating the building becomes more efficient with increased usage. These figures include the conservative assumption that one part-time employee will be required from Year 2 onwards. Removing staff costs increases projected net income significantly by £4,800 per year.

The financial assessment indicates that the project is robust even at the conservative usage assumed for Year 1 (~30% of the indicated demand from the community).

Surplus funds from increased usage might be used to subsidise community hire rates going forwards.

## Financial Assessment

INCOME	YEAR 1		YEAR 2		YEAR 3	
<b>Community</b>						
After School Club	-		£3,800.00	5 x 2 hrs, 38 weeks	£3,800.00	5 x 2 hrs, 38 weeks
School	£1,520.00	2 x 2 hrs, 38 weeks	£1,520.00	2 x 2 hrs, 38 weeks	£1,520.00	2 x 2 hrs, 38 weeks
Badminton	£300.00	1 hr, 30 weeks	£480.00	1 hr, 48 weeks	£960.00	2 hrs, 48 weeks
Indoor Bowls	£300.00	1 hr, 30 weeks	£480.00	1 hr, 48 weeks	£960.00	2 hrs, 48 weeks
Toddler Group	£480.00	2 hrs, 24 weeks	£960.00	2 hrs, 48 weeks	£960.00	2 hrs, 48 weeks
Friendship Group	-		£600.00	2 hrs, 30 weeks	£960.00	2 hrs, 48 weeks
Martial Arts	£300.00	2 hrs, 15 weeks	£600.00	2 hrs, 30 weeks	£600.00	2 hrs, 30 weeks
Highland Dancing	-		£300.00	2 hrs, 15 weeks	£600.00	2 hrs, 30 weeks
Children's Parties	£90.00	Half day, 3 per year	£180.00	Half day, 6 per year	£360.00	Half day, monthly
BCCA events	£120.00	Half day, quarterly	£120.00	Half day, quarterly	£120.00	Half day, quarterly
Film night	£60.00	Half day, 2 per year	£120.00	Half day, quarterly	£120.00	Half day, quarterly
Book Club (meeting room)	-		£240.00	2 hrs, 24 weeks	£240.00	2 hrs, 24 weeks
Private Use (meeting room)	£120.00	1 hr, 24 weeks	£240.00	1 hrs, 48 weeks	£480.00	2 hrs, 48 weeks
Audio visual hire	£40.00	4 events	£80.00	8 events	£120.00	12 events
<b>Commercial</b>						
Exercise Classes	£600.00	1 hr per week, 48 weeks	£1,820.00	2 hrs, 48 weeks	£2,780.00	3 hrs, 48 weeks
Art Class	-		£900.00	Half day, 15 weeks	£1,800.00	Half day, 30 weeks
Christmas / Craft Fayres	£96.00	Full day, 1 per year	£192.00	Full day, 2 per year	£288.00	Full day, 3 per year
Evening Event	£60.00	Half day, 1 per year	£120.00	Half day, 2 per year	£240.00	Half day, quarterly
Business Use (meeting room)	-		£120.00	Half day, 2 per year	£240.00	Half day, quarterly
Evening Classes (meeting room)	-	1 hr, 30 weeks	£300.00	1 hr, 30 weeks	£600.00	2 x 1 hr, 30 weeks
Audio visual hire	£40.00	2 events	£100.00	5 events	£200.00	10 events
<b>Fundraising</b>						
Community café	£600.00		£600.00		£600.00	
Other	£400.00		£400.00		£400.00	
	<b>£5,126.00</b>		<b>£14,272</b>	~175% YOY increase	<b>£18,948</b>	~30% YOY increase

EXPENDITURE	YEAR 1		YEAR 2		YEAR 3	
Heating	£2,400.00	£300/mth in Winter, £100/mth in Summer	£3,000.00	25% YOY increase for increased usage	£3,750.00	25% YOY increase for increased usage
Light and Power	£1,200.00	£100/mth	£1,500.00	25% YOY increase for increased usage	£1,875.00	25% YOY increase for increased usage
Insurance Contribution	-		£250.00		£500.00	
Telephone/Internet	£600.00	£50/mth	£660.00	10% YOY increase	£726.00	10% YOY increase
Cleaning Materials	£200.00		£200.00		£200.00	
Maintenance & Equipment	£100.00		£200.00		£500.00	
Accountancy Fees	£250.00		£250.00		£250.00	
Staff Costs	-		£4,800.00	£8/hr, 10 hrs/week 48 weeks (+25%)	£4,800.00	£8/hr, 10 hrs/week 48 weeks (+25%)
	<b>£4,750</b>		<b>£10,860</b>	130% YOY increase	<b>£12,600</b>	16% YOY increase
			£6,060	No staff costs	£7,800	No staff costs
<b>PROFIT / LOSS</b>	<b>£376</b>		<b>£3,412</b>		<b>£6,347</b>	
			<b>£8,212</b>	No staff costs	<b>£11,147</b>	No staff costs