

Village Hall & Nursery

Business Plan

“Not just a social club, more a”

Draft Version 6

9th February 2017

Cottenham Parish Council – New Village Hall & Nursery

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Draft Business Plan (v6)

“Not just a social club, more a”

1 Summary

Cottenham, with a population of around 6,500 in close proximity to Cambridge, is an affluent village which has, for a variety of reasons, neglected investment in its infrastructure over recent years so several community facilities are absent, out of date or need expanding.

This project provides a purpose-built Village Hall incorporating a year-round all-day Nursery for up to 60 0-5 year-olds and an additional large performance space with an expected life well in excess of the 50 years provided by today's hall.

With capital funding provided by the village's Council Tax payers, it is expected that the project will not only provide a wide range of services for the community and a valuable physical asset, but also generate a financial return that will in the very short term cover its operating costs and, as usage increases, its finance costs so that the supplementary precept can be progressively eliminated and costs transferred to users. Later, the facility will create a significant contribution to local finances.

This business plan includes service of a range of current and anticipated community needs, with sufficient flexibility to meet unanticipated future needs. It also explores the accessible market and necessary partnering and operating strategies to deliver both the community and financial objectives without significantly interfering with the viability of existing community facilities.

The overall aim is to deliver:

- a much better Village Hall with more and better facilities
- if you cannot use today's hall – a good, disability-friendly one
- if you have young children – improved pre- and post-school facilities
- if you have very young children – an all-year-round, all-day nursery
- a large venue with kitchen and car-parking for a party or wedding reception
- improved facilities for the Sports & Social Club and older residents' day care
- somewhere to hold a business meeting or conference with full WiFi

These facilities may open progressively so that operating surpluses can be expected from year #1.

The design, planning applications and tender process will be funded from Parish Council reserves with construction and fit-out mostly funded from long-term debt finance to be arranged with the Public Works Loan Board. With interest rates at an historical low level, debt finance will help create a long-term much-needed community asset for Cottenham.

Operating profits and windfalls from, e.g. developer contributions for community facilities, will be used to pay down the debt, and reduce the supplementary precept, within the loan period – a strategy facilitated by using several loans that can be redeemed individually as resources permit.

We have a broadly acceptable design submitted for planning permission within a £2.4 million + VAT capital project and, following a parish-wide ballot, and Parish Council decisions to:

- apply up to £300,000 from reserves to finance the design
- increase the precept by £118,000 p.a. specifically to finance the necessary long-term debt
- apply to DCLG for authority to borrow up to £2.1 million for around 25 years.

This plan includes a summary of the community need, the design and intended usage, the marketing approach, likely income sources and costs and several financial scenarios outlining how the financial goals will be met with various scales of use by the Nursery.

2 Today's Village Hall - Challenges & Limitations

Today's Village Hall has evolved over nearly fifty years from a small sports pavilion and space for indoor sport to a general-purpose Hall used for a variety of community purposes.

However, it is no longer fit for purpose for several reasons which will become worse as the village continues to grow:

The Village Hall is unattractive to users:

- Cosmetic
 - Floor tiling
 - Fluorescent lighting, ceiling tiles
 - Old, insecure doors
 - Exposed/vulnerable Central Heating pipes

There are also safeguarding concerns with the current layout:

- Security - no internal zone to safeguard kids / elderly from concurrent users
- Flexibility – shared toilet use limits occupation to a single activity most of the time

And there is inadequate storage even for today's three regular users

- Kids Club playthings regularly spill into the hall and onto the stage
- Aerobics matting etc. in passageway adjacent to Emergency Exit route
- Day Centre armchairs and serving trolley

And there are other storage issues:

- Tables and chairs dispersed on stage or in store-rooms
- Cleaning materials stored in security cupboard
- Dishwasher / sink fit-out has not been feasible

The building's age indicated a need for a major refit as a minimum:

- Repurposing the old changing rooms superseded by the Sports Pavilion
- Bar store ceiling is failing as are the flat roof covering and external rendering
- Lack of disabled toilets
- Poor quality toilets generally
- Poor insulation and door closings leading to increased energy costs

Cottenham only has limited "village hall" facilities in other venues:

- Cottenham Club – in a central location with low fees and parking, but ageing
- All Saints Church Hall – limited availability, no parking and some distance from village centre
- CVC – good facilities but high fees and limits on availability, especially in day-time
- Community Centre – central location, moderate fees and reasonable facilities but no parking

3 The Need – improvements to retain existing users and attract new ones

Create a fit-for-purpose self-sustaining multi-user Village Hall, including spaces of various sizes for community uses ranging from Council meetings to major events, including concerts, conferences, dances, dinners, birthday parties, and weddings.

To retain existing users, there are three key requirements:

1. Increase ground-floor storage
2. Improve security segregation for multiple concurrent users
3. Provide toilet facilities for elderly and disabled

Expanding to new clients requires:

1. Provide meeting space and office facilities for micro-businesses
2. Provide meeting space and office facilities for charities and community groups
3. Improve café / bar facilities for hirers / casual users
4. Provide cosmetic makeover to improve attractiveness
5. Introduce an all-year-round nursery

All require cost improvements from today's Village Hall:

1. Reduce energy consumption
2. Reduce cleaning costs
3. Reduce maintenance costs
4. Minimise on-site supervisory costs, mostly by involving trusted key partners as supervisors

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4 Validating the need

In 2009, the District Council conducted a Community Facilities Audit within each parish to provide an evidence base for a planning obligations supplementary planning document. Although superseded by CIL regulations, the policy required 11 m² of indoor community space for each 1,000 people based on the recommendations of an external audit and needs assessment. This policy has been used as the basis of claims for developer contributions where on-site provision is not feasible or desirable.

In the SCDC study, Cottenham was reported as having a recognised shortfall of around 383 m² in indoor community space, only partly closed by the provision of around 250m² of space when the Cottenham Community Centre opened in 2011.

A recent SCDC Planning Officer report (S.1411.16.OL) verified a need to improve the Village Hall and Early Years and Primary education provision in Cottenham to accommodate a development of around 200 homes.

With only the Ladybird Pre-School and three childcare providers, demand for statutory Early Years provision exceeds supply and the County Council has agreed to divert s106 Early Years capital funding to this project to help integrate a nursery into the new building. Statutory provision is known to fall short of actual needs of many working parents who currently have to place their children outside of the village during the day, necessitating additional travel and cost.

Evidence from the Neighbourhood Plan survey conducted in 2016 which elicited 973 responses:

- 58% were concerned that future development in Cottenham would lead to pressure on pre-school places, rising to 67% of households with pre-school children
- 44% felt it was important to improve the number/availability of pre-school places, rising to 66% of households with pre-school children
- 79% thought we should improve welfare and day care facilities for the elderly and less able
- 68% thought it was important to improve leisure and recreation facilities
- 44% of over 75 year olds felt the day centre for older residents required improvements
- 55% with pre-school children felt the early years/pre-school facilities in the village required improvement
- 64% of respondents with children aged 5 – 10 felt that the village hall needed improvement (and 40% of the total sample)
- at least 57% of respondents with children aged under 11 felt that the public toilets needed improvement (and 45% of the total sample)
- 69% of residents with pre-school children felt that the parish council should identify land and/or money for an additional pre-school facility (and 39% of the overall sample felt this)
- 57% felt the parish should identify land and/or money for a day centre for older residents, rising to 66% or more amongst over 65 year olds

The Vision Plan survey conducted in 2014 attracted over 200 responses within which:

- 46% wanted a new or refurbished village hall

A residents' ballot conducted across the village in December 2016 secured a 60% positive response to the question:

“Is the new Hall & Nursery worth £1/week on your home’s Council Tax?”

5 The Approach

Four broad design approaches were considered by the Working Party during 2015 and 2016:

Plan A – to build an additional floor above Hall and vestibule (with lower costs and risk):

- Limited storage unless old changing rooms included
- Inadequate toilet facilities and segregation unless old changing rooms included
- Limited potential to include nursery provision
- Significant “out-of-use” time during alterations

Plan B – build additional floor across most / all of Hall / Lounge / vestibule etc (with higher cost/risk)

- Scope for additional storage / toilets in vestibule / lounge area
- Segregated entrance feasible with parallel entrances
- Some potential to include limited nursery provision
- Significant “out-of-use” time during alterations

Plan C – rework vestibule and old changing rooms (lower potential, costs and risks)

- Scope for disabled / unisex toilets plus storage in vestibule
- Segregated entrance via tunnel to additional storage and toilets in old changing rooms space
- Some potential to include limited nursery provision
- Significant “out-of-use” time during alterations

Plan D

- Complete demolition and rebuild – the chosen option
- Opportunity to “purpose-build” all aspects

All building works need to consider the Ladybird pre-school, which is attached to and shares utility services with the hall.

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6 Key dates and meetings:

As options have been considered and the design evolved, a number of public occasions have been used to display the project status:

- Cottenham Festival, on 2nd July 2016, to show project overview, including estimated costs
- Parish Council, on 5th July 2016, to select the external design and decide whether to proceed with an application for outline planning permission or move directly to full permission.
- Parish Council, on 20th October 2016, approved formal application for planning permission
- Financing model developed through to precept and loan following ballot
- Parish Council decisions on ballot, precept and application to borrow (10th January 2017)
- At some stage, there will be Council decisions on whether and when (or not) to:
 - proceed with detailed design (Q1?)
 - delegate authority to deliver the project (Q1?)
 - initiate a formal tender process (Q2?)

Nominal demolition timing is Summer 2017 with construction complete by April 2018.

7 De-risking the Plan

During 2015 and 2016, various activities were undertaken to de-risk aspects of the plan:

- architect input on alternative approaches and likely costs
- pre-planning advice from South Cambridgeshire District Council
- structural input from Surveyor / Civil Engineer
- provisional business plan
- dialogue with existing and potential partners
- market-test of additional service offerings at events such as the Feast Parade etc.

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8 The future Village Hall & Nursery



N.B. final elevations may evolve slightly during the planning permission process

Design

The proposed design provides some 600 m² of new space, albeit with a loss of around 180m² – a net gain of some 400m², enough to cater for likely population expansion over the next fifteen years.

For sustainability, the hall should be located within 800 metres of most residents and the integrated Nursery as close as possible to the Primary School to simplify logistics for parents with children attending both. Integrating the two on the same site as the current Village Hall meets both requirements and integration of all these facilities is the most cost-effective solution.

The design is based on a 2-floor concept with each floor temporarily or permanently divided to create separate internal spaces allowing safe operation concurrently by several user groups with minimal supervision. Layouts will be subject to revision as the planning permission and design process continues. The building footprint is slightly larger (towards the field) than today's hall.

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Ground Floor

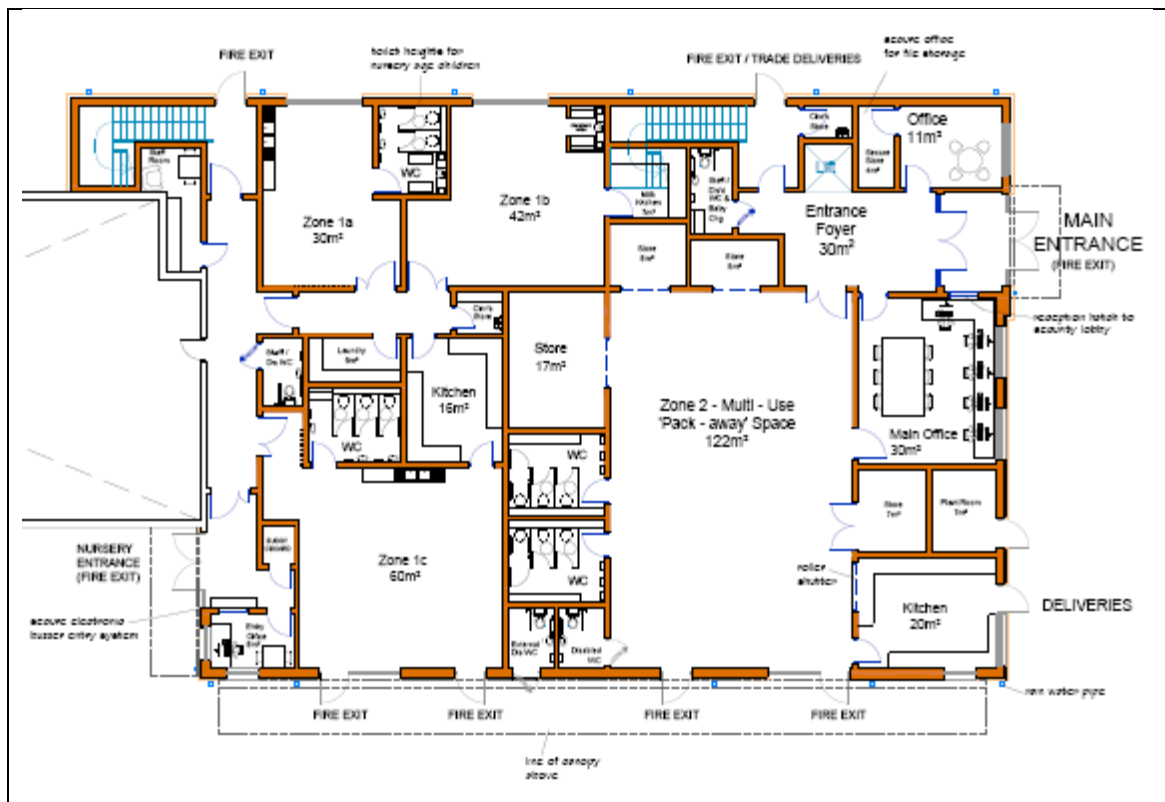
“Zone 2” is accessed via the main entrance with emergency exits to the field at the front

- Zone 2 is essentially a direct replacement for today’s Main Hall with more integrated user-specific storage, larger kitchen and toilets, including for disabled, plus a basic PA and multi-media system for paper-free meetings, WiFi and audio-loop for the hard-of-hearing. This suite can be “locked-down” while the rest of the building is used for other purposes. This facility should meet today’s “business as usual” users, including term-time morning/evening and all-day holiday use by an out-of-school club, weekday use by Cottenham Day Centre, evening use for Council / Committee meetings and exercise classes etc as well as for a Polling Station at election times. It should attract additional hirings for parties etc., especially at weekends.

“Zone 1” is accessed via secondary entrance with emergency exits onto the main field at the front.

- Zone 1 is designed primarily to host a nursery, with dedicated spaces for 0-2,2-3 and 4-5 year-olds; this is complementary to Ladybirds and Cambridge Kids Club, offering all year round weekday care between 7.30am to 6pm; some alternate use in evenings at weekends may be possible in the 4-5 year area, including a youth club if appropriate supervision can be arranged.

Other downstairs facilities include a secure Parish Council office and store-room, a small office that might host business printing or even teleconferencing, allowing some shared drop-in use, vandal-resistant external public toilet etc.



N.B. final layout may evolve slightly during the planning permission process

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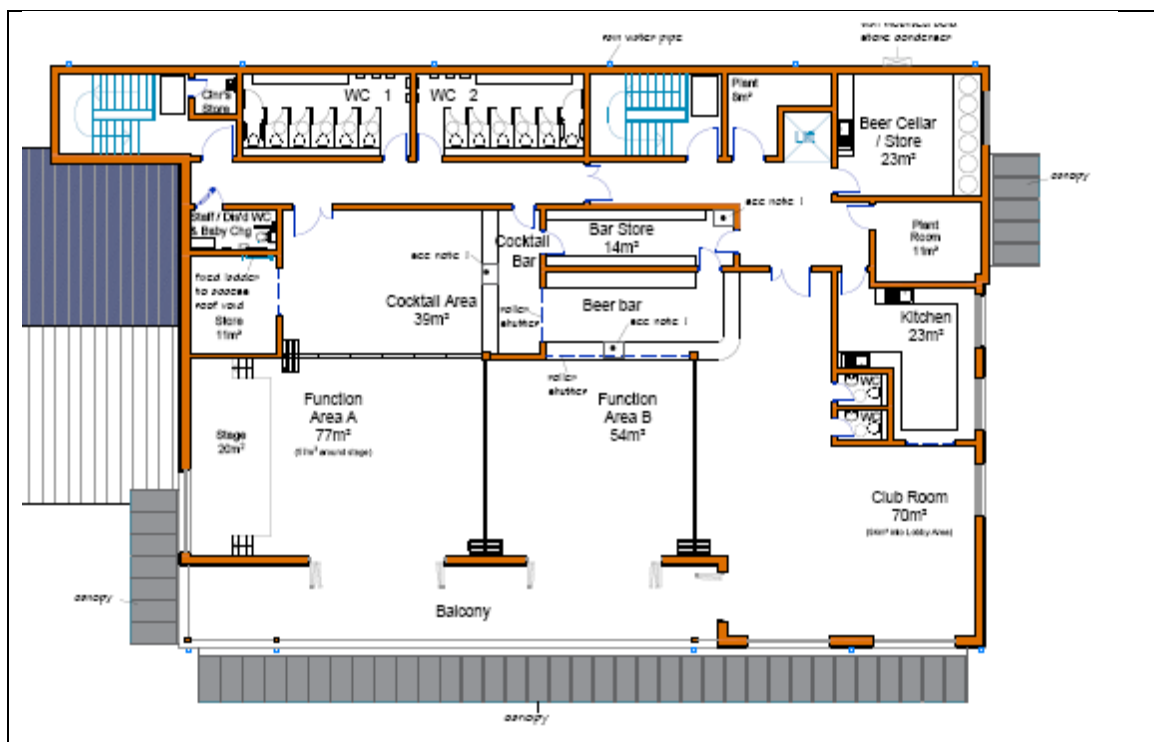
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First Floor

Upstairs is substantially larger than today's 119m² Main Hall and can be used in several ways, including balcony access, with optional expansion to 120m², 180m² or 245m², each with bar and kitchen facilities, independently of each other and of events downstairs:

- A core 65m² carpeted "Members' Clubs" area including balcony access ; this enables non-exclusive part-time use by Cottenham United Sports & Social Club on several weekday evenings and at weekends with a complementary "Business Members' hub" enabling drop-in use of ten hot desks by Business Club members during weekdays. Access to the kitchen for beverages and/or fridge/microwave meals and the nursery as crèche, will increase the attractiveness.
- The adjacent wood-floored function area B can be used as an extension to the Social Members' Club for larger events (similar in size to today's hall) and, during weekdays, as bookable meeting space by users of the Business Members' hub.
- A core 39m² carpeted "Cocktail Bar" area, with optional bar facilities, can be hired for smaller meetings with optional kitchen access.
- Combining the cocktail bar with function area A (with stage, basic PA and wooden dance floor) to create a room similar in size to today's hall provides an ideal space for band performances, dance or other movement classes and social dances.
- Combining three or more of the spaces with the other facilities creates the potential to host wedding receptions, anniversary parties or business conferences etc.

Apart from possible weekday day-time use for extensions to child-care, the spaces should meet the needs of local commercial events and parties, including dances, dinners and wedding receptions, with a drop-in business hub in the Club Room for micro-enterprise use during day-times..



N.B. final layout may evolve slightly during the planning permission process

9 Building the user community – “partners, champions and promotion”

The new facility is larger than today’s Hall and time and promotion will be needed to generate full use of its facilities. Much of that promotion will be by word of mouth from people who have experienced one or more of the facilities, services or events. So, while regular promotion will be needed in the Cottenham Newsletter and on the Parish Council’s website and Facebook pages, a number of “Hall Champions” will need to be recruited and nurtured to build and maintain a reputation as an attractive venue. Some of those “Hall Champions” will be or become “Hall Partners” sharing more directly in the operation of the facility.

Many of these champions and partners will be regular participants or organisers of the types of activity necessary to make the hall a community and financial success. In turn, they may be existing, former or potential hirers and serious users. It will be important to engage these groups progressively as the project evolves:

1. Retaining key / existing hirers and users – primarily known contacts at the Kids Club, Sports & Social Club, Day Centre, Aerobics and Ladybirds – offered a monthly meeting / eMail to review progress and provide input into the technical design once that begins in exchange for “in principle” partner contracts and participation in the launch programme.
2. Winning back “lost” hirers and users – those groups and/or individuals who used to hire the hall but, for some non-financial reason, have gone elsewhere – offered “come and see/try” tours during the launch programme in exchange for feedback comments and publishable quotes (“why I might come back”) etc. with discount offers on a hiring within the first 12 months of operation.
3. Attracting new hirers and users – in addition to the Nursery operator, target under-served groups by offering invitations to a series of special events, each possibly for a nominated local charity, during the launch programme and subsequently.

While some of the above activity can be handled by existing staff and willing Parish Councillors, a small launch team, supported by a marketing budget, will be desirable at some stage. Ideally this team evolves from our Working Party via Project Supervision and Project Marketing teams to a part-time combined Facilities Manager and Marketeer, responsible for overall smooth operations, especially when no other Parish Council staff are on-site.

This emerging Business Plan includes optimistic and pessimistic incremental cost and income projections to build up the finance model. It will be subject to wider scrutiny in Council and will be a key part of our submission to the Department for Communities & Local Government once we have planning permission.

10 Capital Finance

Capital Costs & Primary Finance

- Current estimate for the project is around £2,400,000 + VAT including professional fees and contingencies based on a construction cost for the Hall and Nursery of £1,900,000 +VAT.
- BREXIT's effect on the £ will affect some material costs but may depress construction sector demand and may keep interest rates low for the next 6 months unless the crash is worse than expected - in which case we will know before we commit.
- The financing model agreed by the Parish Council is based on a combination of VAT recovery from HMRC, use of financial reserves and borrowing around £2.1 million from the Public Works Loan Board over around 25 years requiring capital repayments of up to £118,000 p.a.
- The primary repayment model adopted by the Parish Council following a village-wide ballot is to increase the precept by £118,000 p.a., which is equivalent to £0.99 per week on a Band D home (66p/week for Band A, £1.50/week for Band G).
- By taking the loan in several tranches, net income, donations/grants and/or developer windfall contributions can be used to accumulate funds to pay off the debt in stages after a few years, allowing a progressive reduction in the supplementary precept.

Supplementary finance

In addition, various other forms of finance will be sought to reduce the capital outlay and/or secure future revenue income without compromising the project timescale. These could include:

- Developer contributions
 - While not actively sought at present, windfalls from developer contributions are likely, especially for off-site Community Facilities and Early Years provision. These mostly come some years in the future so cannot offset the initial build costs, but they can be used to help pay off the debt earlier than planned.
- Grants
 - Cottenham is, on average, an affluent village putting us at a disadvantage against other communities when bidding for grants. There are some sources (e.g. WREN) of modest grant funding that may be relevant for “fitting-out” projects on a room-by-room basis, once we agree the target purposes and requirements of each space.
- Partner funding
 - There may be partners willing to invest up-front in exchange for security of tenure (longer-term contracts with fixed or specified fees) and/or future discounts.
- Lottery
 - Subject to obtaining the necessary licence and finding a champion to promote it, we could run a lottery to raise funds, especially once the hall is open for business
- Advertising
 - There may be scope to create and let advertising space both internally and externally or both community and commercial advertisers
- Sponsorships
 - From individual rooms to the entire building, short-term and long-term “naming rights” are options.

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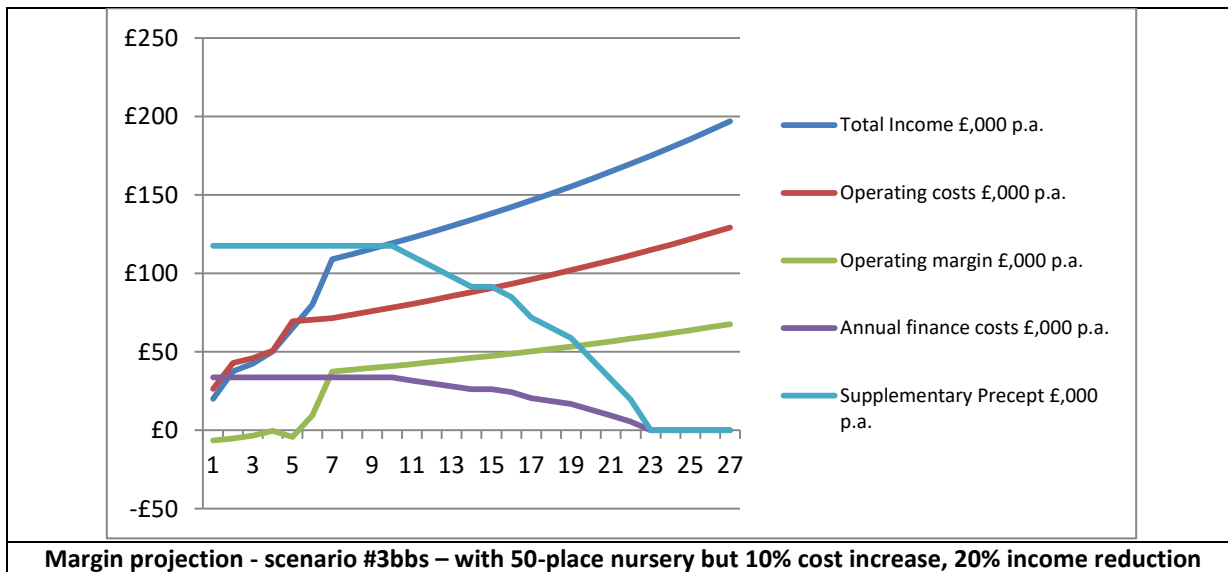
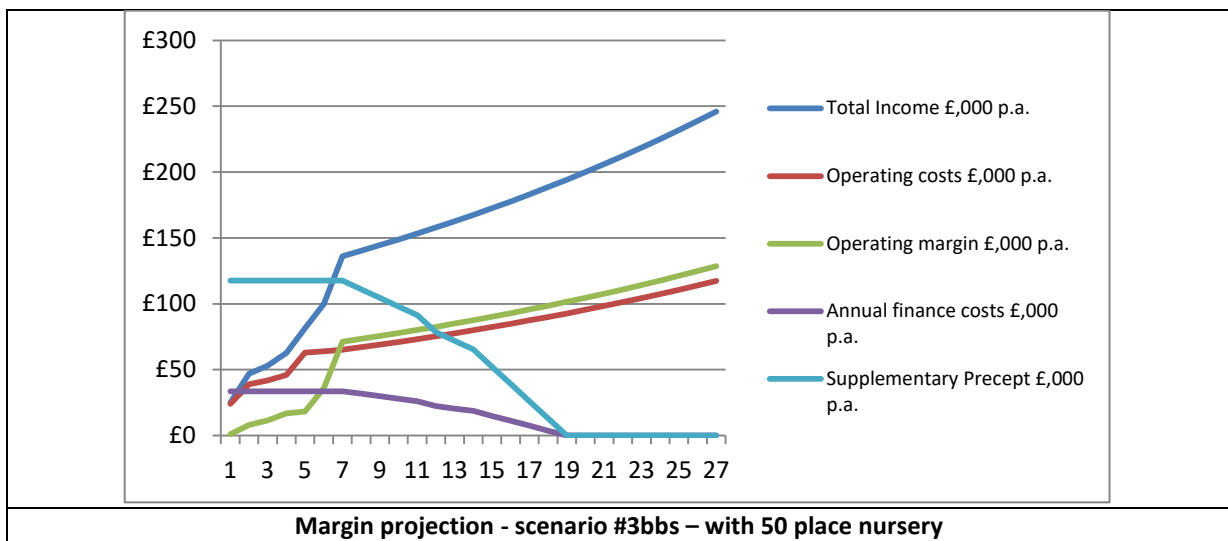
11 Revenue finance

The three strands can be addressed progressively to restrain costs while income develops:

- retain existing users – Kids Club, Sports & Social Club etc. at low risk
- develop a nursery operator – probably with the Ladybird Pre-School
- attract new users – from businesses to bands, dance classes, dinners and dances to parties

Income streams are uncertain but risks can be controlled by keeping initial operating costs within “business as usual” income expectations.

The following sections outline the approach, likely costs and expected income involved. The charts here, which are subject to further revision etc., indicate that – even assuming only 80% of expected income with 10% higher than expected costs, break-even operation can still be met within 7 years and the supplementary precept progressively reduced to zero, without windfalls, within 20 years.



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12 Meeting the financial objectives

We have perhaps eleven “lines of income” to develop, with different risk profiles on demand, fee, growth rate:

#	Floor	Space	Risk	Potential Value	Peak p.a. (at 2018 prices)	Assumptions
1	G	Nursery	moderate	high	£69,000	50 places, 50p/hr, 50w *5d*11h/day
2	G	Parish Council office	low	low	£2,600	Rent as now
3	G	Business office	low	low	£2,600	Average £10/day ad-hoc use
4	1st	CUS&SC	low	medium	£10,400	Rent as now
5	1st	Gold Club	start-up	low	£4,000	5 drop-in business hot spots: £10/4h
6	1st	Silver Club	start-up	low	£4,000	5 drop-in business hot spots: £10/4h
7	1st	Meeting Area	start-up	low	£4,000	5 drop-in meeting tables
8	G	Hall	low	medium	£12,000	Rent as now
9	1st	Cocktail Bar	start-up	medium	£8,000	400h: 100 mtgs, 50 classes, 25 parties
10	1st	Dance Floor	start-up	medium	£12,000	200h: 12 large events; 100 classes;
11	1st	Miscellaneous	start-up	low	£3,000	

We have four progressive levels of cost as more services are made available:

- i. Basic utility services + Health & Safety + Security + weekly cleaning
- ii. Daily checks and limited supervision and marketing
- iii. On-site administration presence during opening hours
- iv. Event-based marketing, pre-and post-clean up etc.

Taking a phased approach to the introduction of services will allow costs to be controlled in line with revenue to ensure positive margin. Key tactics include:

- In the early days, users need to be trusted key partners to keep costs and risks within levels i and ii AND income above costs, while also ensuring problems are reported and dealt with promptly.
- Later, the nursery comes into use progressively and some of the income is used to fund additional staff support to promote and administer riskier activities.

Assume four progressive performance milestones:

1. Positive operating income: revenue exceeds operating costs
2. Positive cash-flow exc. capital: revenue exceeds outgoings (excluding capital repayments)
3. Positive cash-flow: revenue exceeds outgoings (including capital repayments)
4. Positive return on capital: accumulated income exceeds accumulated outgoings

13 Financial Scenarios

These charts demonstrate various conditions under which each of the financial objectives can be met while delivering the community benefits.

Although there is a “continuity” business – the “business as usual” elements, much of the expected revenue will come from new sources which effectively constitute several “start-up” businesses with considerable uncertainty on some income streams.

This section will be a work in progress as partner discussions continue to validate assumptions around:

- the scale of each income stream,
- the costs necessary to enable the stream and
- the likely cost and income growth curve.

The five scenarios outlined here are:

- Scenario #1b: Baseline operation with established key partners only
- Scenario #2bb: Partial operation with baseline and business users only
- Scenario #2bs: Partial operation with baseline and social users only
- Scenario #3bbs.0: Full operation with baseline, business and social users with no Nursery
- Scenario #4bbs.25: Full operation with baseline, business and social users plus 25-place Nursery
- Scenario #5bbs.50: Full operation with baseline, business and social users plus 50-place Nursery

All, bar the lowest risk scenario #1b, have stress factors applied to the income (20% less than expected) and cost (10% higher than expected) as a margin for error over and above any caution built into the basic costs and income projections.

The goal is to operate under scenario #5bbs.50 or similar as soon as possible so as to deliver the widest range of services cost-effectively. The other scenarios allow consideration of financial performance if some parts of the building and/or some services, are not immediately available.

It can be seen that users of the Village Hall and Nursery will progressively take over, and ultimately repay, the financial burden of construction and operation of the facility from the Council Tax paying community that is effectively providing the original capital finance through the supplementary precept.

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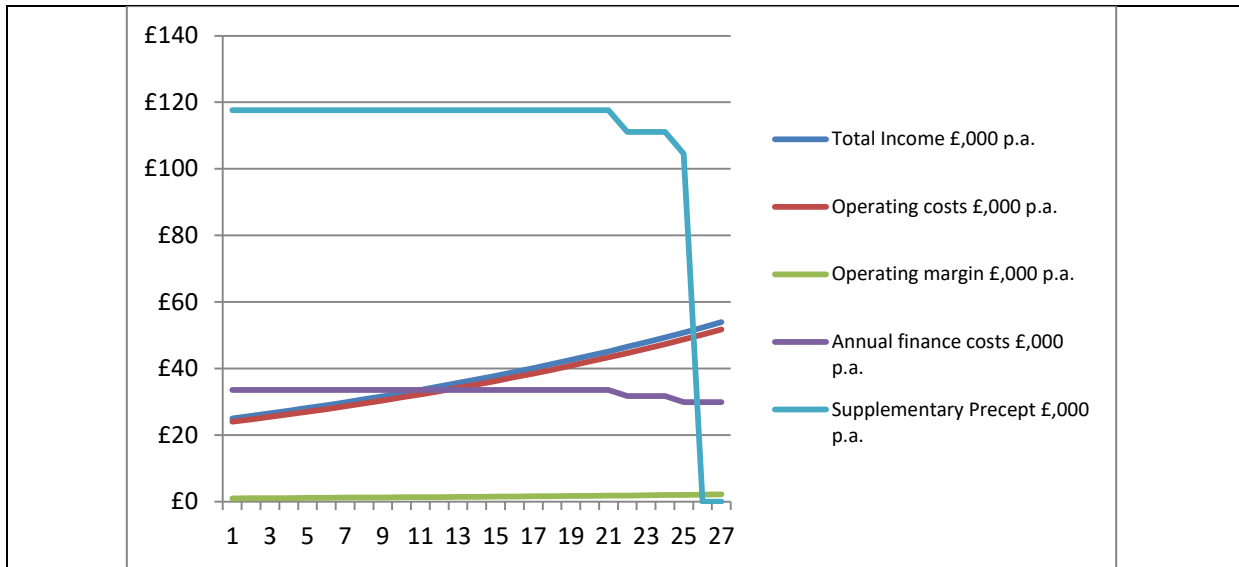
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Scenario #1b: Baseline operation with established key partners only

	Year #1	Year #2	Year #7	Year #10
Total operational costs	£25,000 pa	£27,000pa	£30,000pa	£33,000 pa
Total projected income	£24,000 pa	£25,000 pa	£29,000 pa	£31,000 pa
Net margin	£1,000 pa	£2,000 pa	£1,000 pa	£2,000 pa

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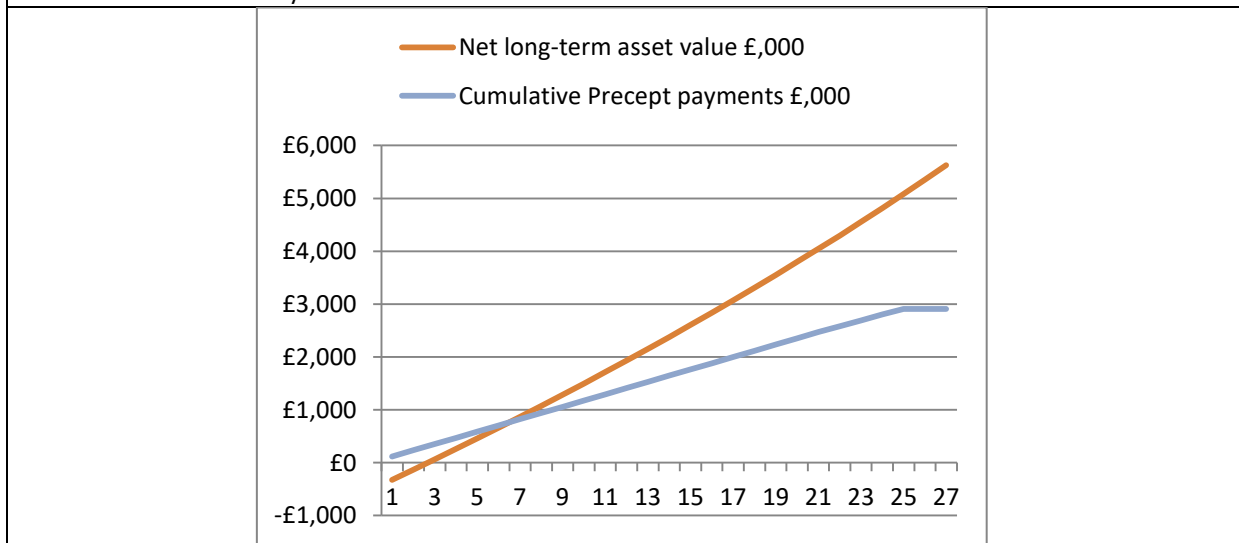


Strategy:

- retain key partners, constrain costs

Effects:

1. positive operating margin in 1st year,
2. surpluses allow supplementary precept to be incrementally reduced after year #22
3. long-term asset value exceeds investment cost by year 7
4. positive overall margin (operating margin exceeds all costs) once debt repaid in 25 years
5. Maximum outlay ~£3 million



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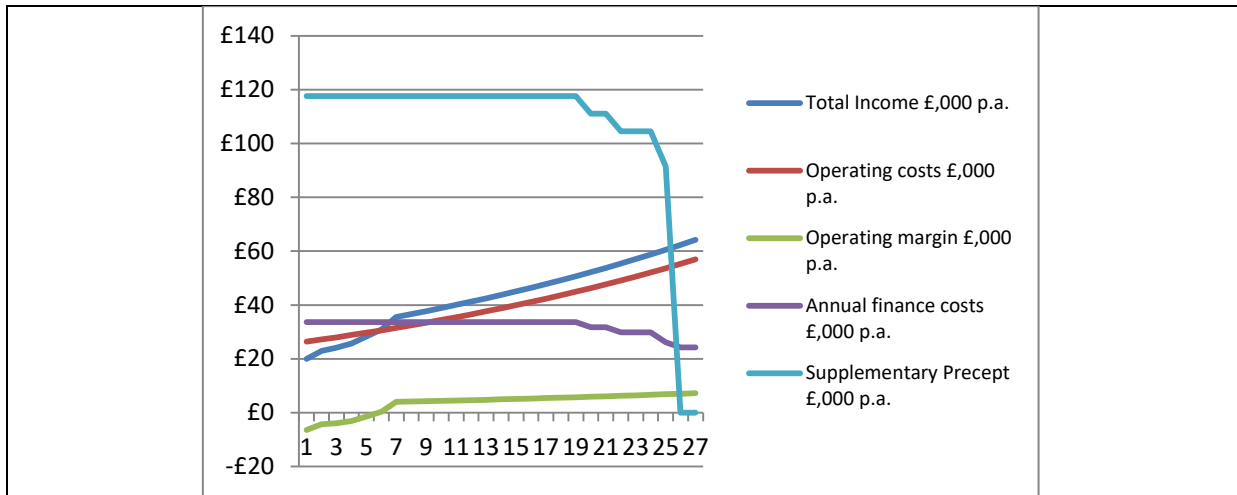
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Scenario #2bb: Partial operation with baseline and business users only

	Year #1	Year #2	Year #7	Year #10
Total operational costs (inc. +10% stress)	£20,000 pa	£23,000pa	£36,000pa	£39,000 pa
Total projected income (stressed using 80% of expected)	£26,000 pa	£27,000 pa	£32,000 pa	£34,000 pa
Net margin	-£6,000 pa	-£4,000 pa	£4,000 pa	£5,000 pa

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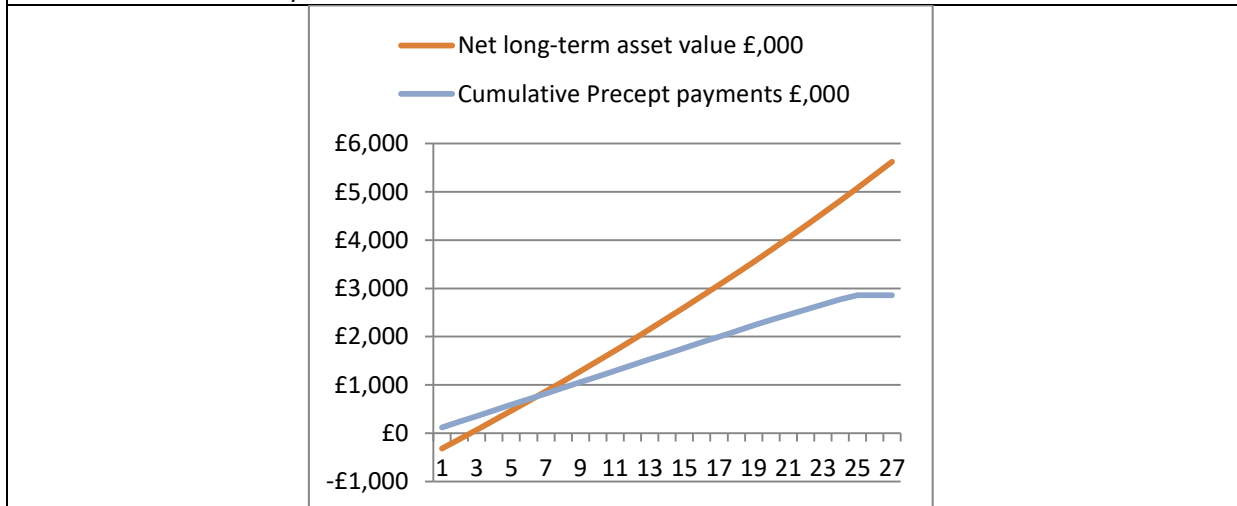


Strategy:

- retain key partners, constrain costs, increase business use over 7 years

Effects:

1. positive operating margin after 7 years,
2. surpluses allow supplementary precept to be incrementally reduced from years #19
3. long-term asset value exceeds investment cost by year 7
4. positive overall margin (operating margin exceeds all costs) once debt repaid in 25 years
5. Maximum outlay ~£2.9 million



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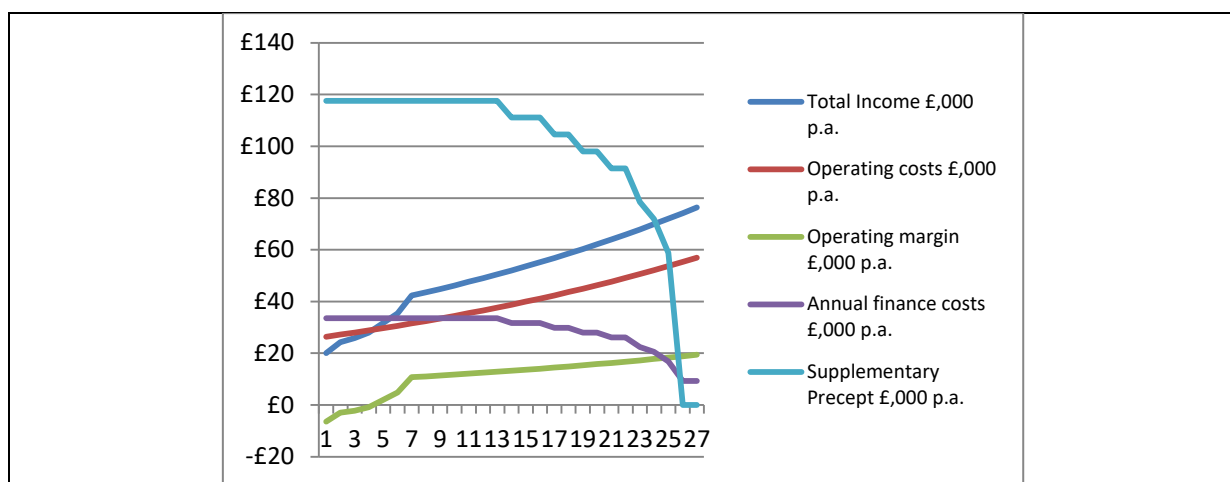
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Scenario #2bs: Partial operation with baseline and social users only

	Year #1	Year #2	Year #7	Year #10
Total operational costs (inc. +10% stress)	£26,000 pa	£27,000pa	£32,000pa	£34,000 pa
Total projected income (stressed using 80% of expected)	£20,000 pa	£24,000 pa	£42,000 pa	£46,000 pa
Net margin	£-6,000 pa	£-3,000 pa	£10,000 pa	£12,000 pa

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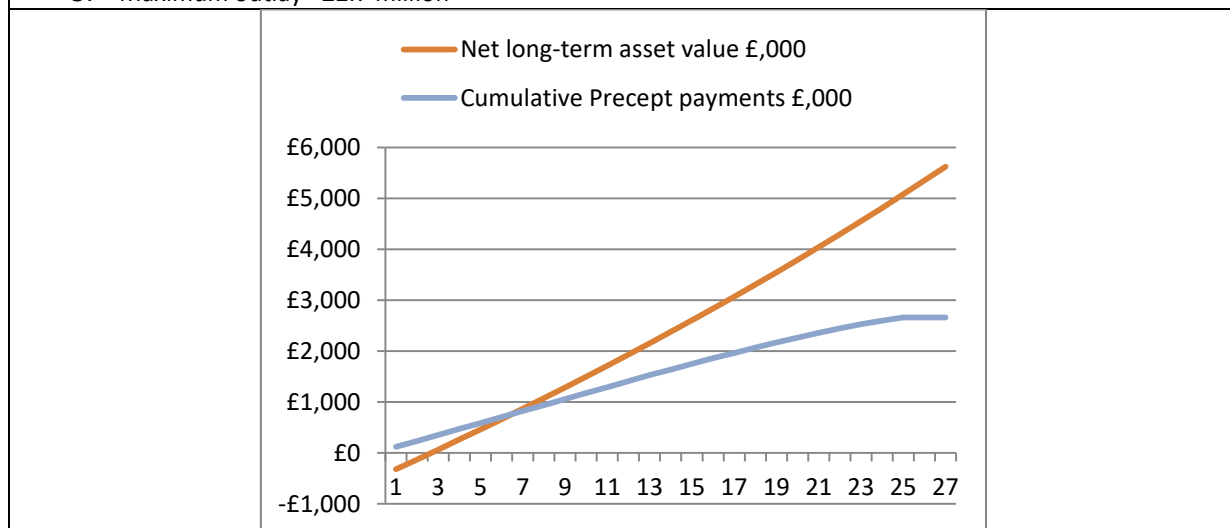


Strategy:

- retain key partners, constrain costs, develop new business over 7 years;

Effects:

- positive operating margin after 5 years,
- surpluses allow supplementary precept to be incrementally reduced between years #13 and #25
- long-term asset value exceeds investment cost by year 7
- positive overall margin (operating margin exceeds all costs) after 25 years
- Maximum outlay ~£2.7 million



Cottenham Parish Council – New Village Hall & Nursery

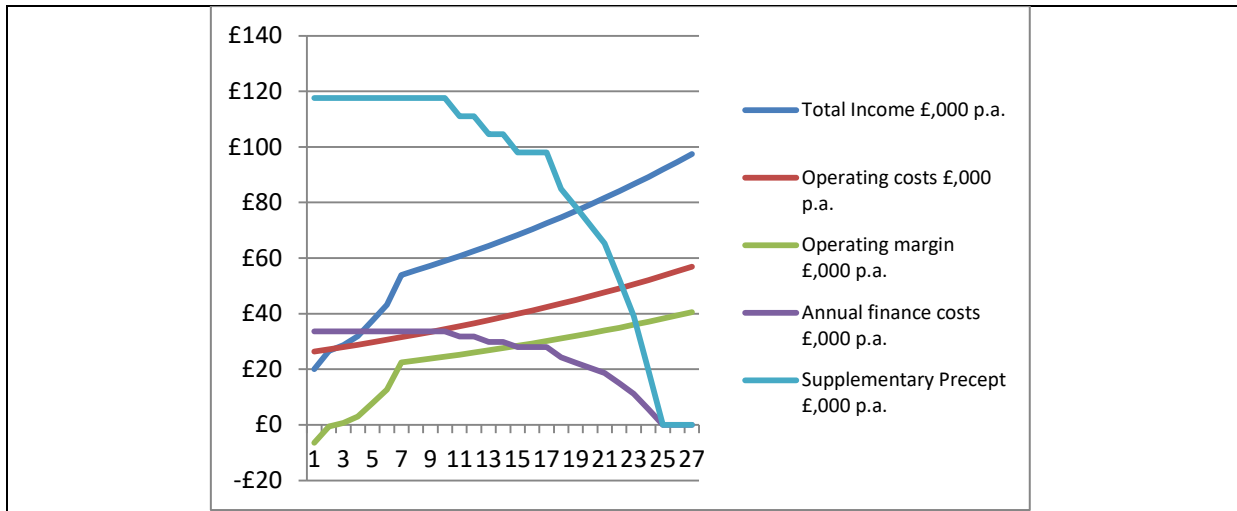
9th February 2017

Draft Business Plan (v6)

Scenario #3bbs.0: Full operation with baseline, business and social users with no Nursery

	Year #1	Year #2	Year #7	Year #10
Total operational costs (inc. +10% stress)	£26,000 pa	£27,000pa	£32,000pa	£34,000 pa
Total projected income (stressed using 80% of expected)	£20,000 pa	£27,000 pa	£54,000 pa	£59,000 pa
Net margin	-£6,000 pa	£0,000 pa	£22,000 pa	£25,000 pa

(file: HallFin170202.3bbs.00NurseryT.xlsx)

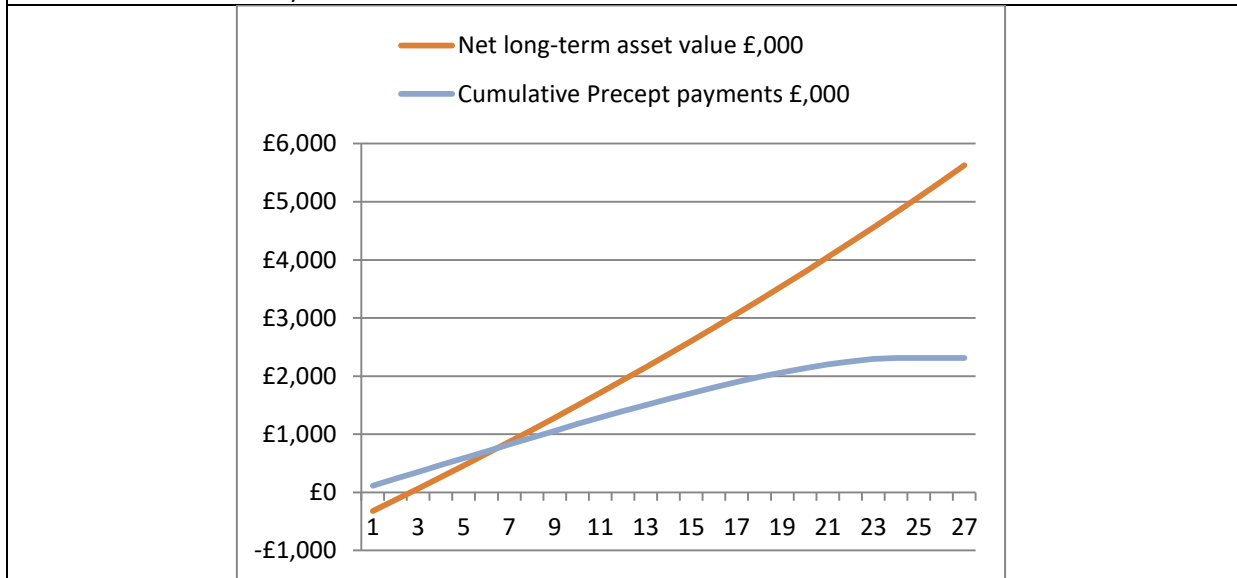


Strategy:

- retain key partners, constrain costs, develop new business over 7 years

Effects:

1. positive operating margin after 4 years,
2. surpluses allow supplementary precept to be incrementally reduced between years #10 and #25
3. long-term asset value exceeds investment cost by year 7
4. positive overall margin (operating margin exceeds all costs) after 15 years
5. Maximum outlay ~£2.3 million



Cottenham Parish Council – New Village Hall & Nursery

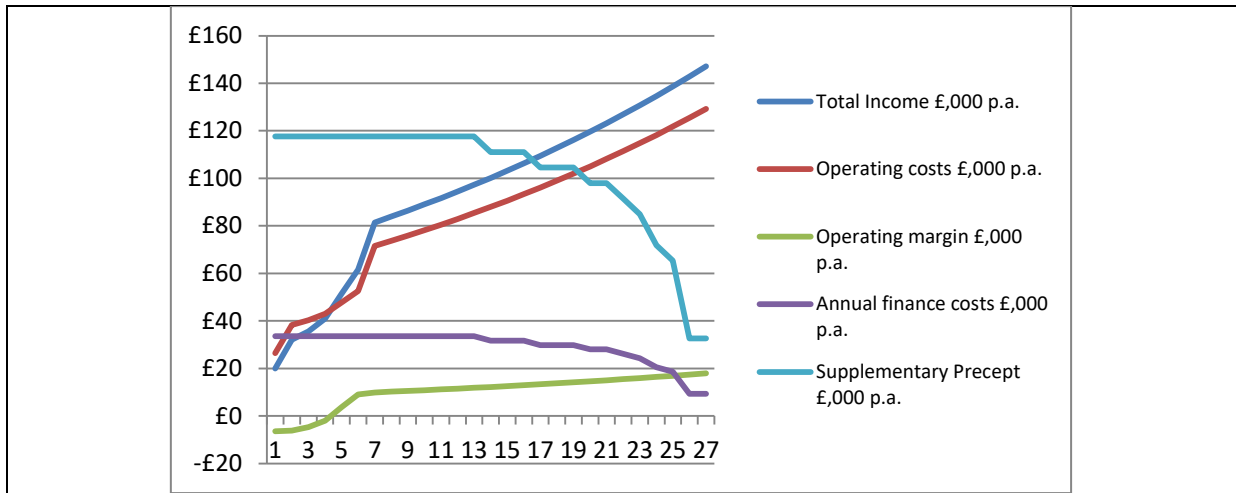
9th February 2017

Draft Business Plan (v6)

Scenario #4bbs.25: Full operation with baseline, business and social users plus 25-place Nursery

	Year #1	Year #2	Year #7	Year #10
Total operational costs (inc. +10% stress)	£26,000 pa	£38,000pa	£72,000pa	£78,000 pa
Total projected income (stressed using 80% of expected)	£20,000 pa	£32,000 pa	£81,000 pa	£89,000 pa
Net margin	£-6,000 pa	£-6,000 pa	£9,000 pa	£11,000 pa

(file: HallFin170202.4bbs.25NurseryT.xlsx)

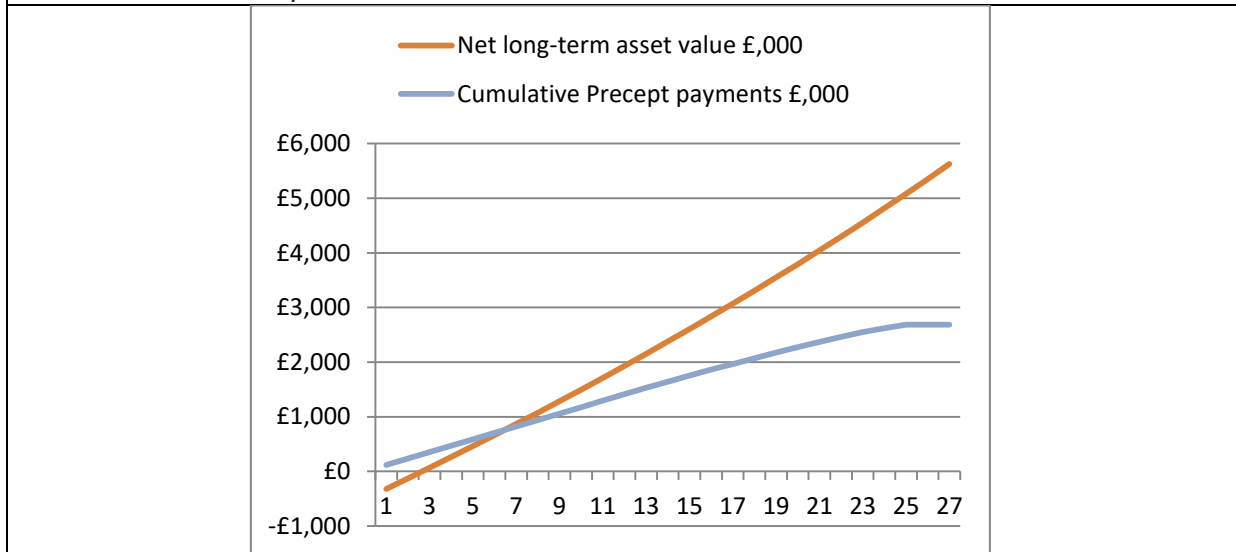


Strategy:

- retain key partners, constrain costs, develop new business over 7 years; include nursery

Effects:

- positive operating margin after 5 years,
- surpluses allow supplementary precept to be incrementally reduced between years #13 and #25
- long-term asset value exceeds investment cost by year 7
- positive overall margin (operating margin exceeds all costs) after 25 years
- Maximum outlay ~£2.7 million



Cottenham Parish Council – New Village Hall & Nursery

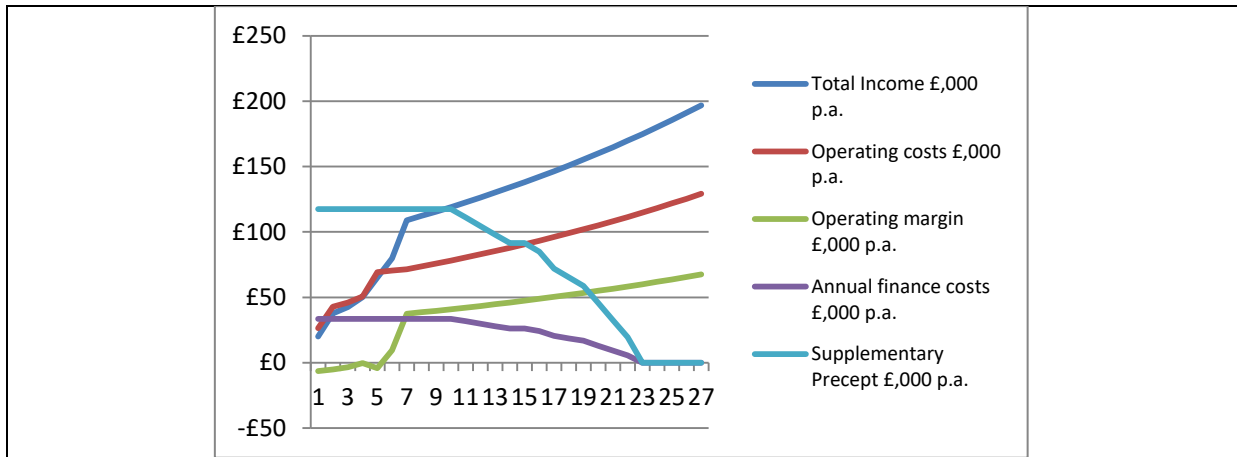
9th February 2017

Draft Business Plan (v6)

Scenario #5bbs.50: Full operation with baseline, business and social users plus 50-place Nursery

	Year #1	Year #2	Year #7	Year #10
Total operational costs (inc. +10% stress)	£26,000 pa	£43,000pa	£72,000pa	£78,000 pa
Total projected income (stressed using 80% of expected)	£20,000 pa	£38,000 pa	£109,000 pa	£119,000 pa
Net margin	-£6,000 pa	-£5,000 pa	£37,000 pa	£41,000 pa

(file: HallFin170202.5bbs.50Nursery.xlsx)

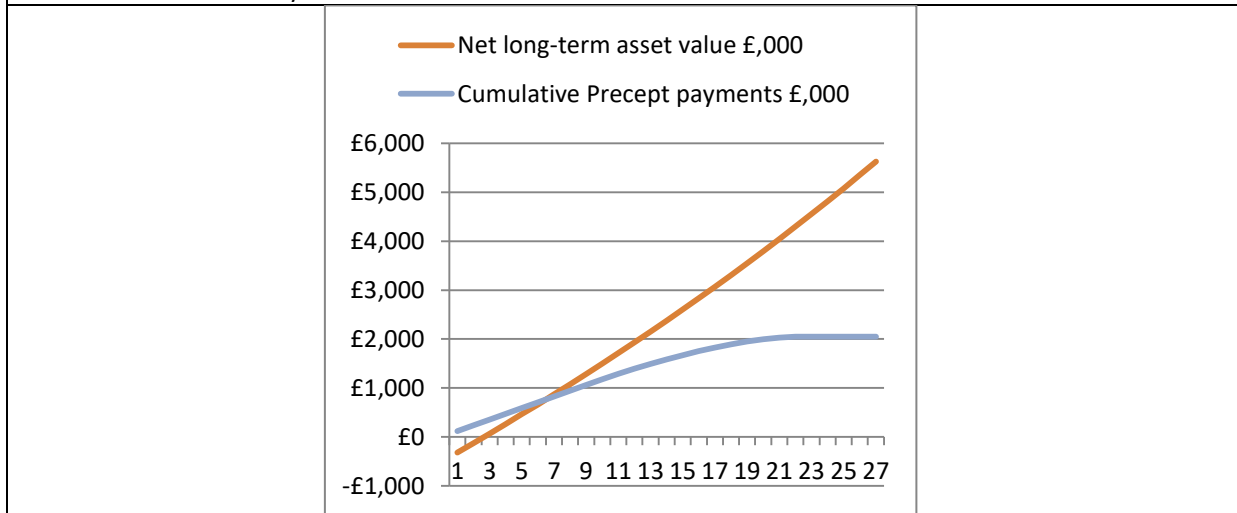


Strategy:

- retain key partners, constrain costs, develop new business over 7 years; inc. 25place nursery

Effects:

- positive operating margin after 5 years,
- surpluses allow supplementary precept to be incrementally reduced between years #10 and #23
- long-term asset value exceeds investment cost by year 7
- positive overall margin (operating margin exceeds all costs) after 7 years
- Maximum outlay ~£2 million



14 Next steps

What are the next key milestones?

- Obtain planning permission
- Application to DCLG for borrowing power
- Authorise technical design

How do we get to them?

- Obtain planning permission – wait and see; may need / want to amend
- Application to DCLG for borrowing power – formal application needs planning permission, proof of residential support, business plan etc.
- Authorise technical design – on next PC agenda - conditional on planning permission?

How do we prioritise future (phase 2, 3 etc) users – e.g. by “commercial value (including fees and costs)” and “community influence” (including users and contact groups)”

- Phase 1 users need to be trusted key partners to keep costs and risks low AND income above costs.
- Phase 2 users should be prioritised by commercial (cash) and community (influence) value versus costs (mostly space utilisation – including storage)

Once construction contracts are placed, on-line and hard-copy promotional materials and events will be needed through to the launch period approximately 12 months later.

- Events and meetings
- Flyer
- Brochure
- Partner contracts
- Booking system
- Programme
- etc