



# BISHOP WILTON COMMUNITY SHOP LTD



**RUN BY THE COMMUNITY  
FOR THE COMMUNITY**

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## 1 EXECUTIVE SUMMARY

In June 2018, the village shop in Bishop Wilton ceased trading. A few local people formed a working group to see whether the community would be interested in running its own shop.

Over the summer and autumn of 2018, the group held two public meetings, circulated a community questionnaire and had discussions with the Parish Council. These activities established that many residents supported the idea of setting up a community village shop.

Bishop Wilton Community Shop Ltd has been registered as a community benefit society with the Financial Conduct Authority. The business will be owned by the community through the sale of shares. The community, through its management committee and staff of volunteers, will run the shop.

The community shop will open in the existing Bishop Wilton shop premises, which will be leased from a new landlord and refurbished. The design, lay-out, fittings and product displays will create an attractive and welcoming environment.

The shop will offer goods and services, including local produce and essential daily items. Over time, the offering of the shop will be developed in response to community demand.

The estimated start-up cost of the shop is £56,500 (including VAT). This will be raised through the sale of shares, donations and grants. Based on planned growth of sales, the shop should be profitable by the 3rd year of trading. This plan assumes that finance can be raised and operating costs minimised through appropriate levels of community support in the form of investment and volunteering.

This plan is put forward in the spirit of commitment to Bishop Wilton as a community. The village already has many great examples of what community action can achieve and our shop will add to these.



## 2 INTRODUCTION

This is the business plan for Bishop Wilton Community Shop Ltd., which is a registered community benefit society under Co-operative and Community Benefit Societies Act 2014. This plan identifies a community-based business rationale for a local shop in Bishop Wilton. The plan also sets out how the community shop will be set up and run, and provides detail on the funding and financial management of the venture.

Bishop Wilton Community Shop Ltd. will trade from the Village Shop, Main Street, Bishop Wilton, YO42 1SR.

## 3 BACKGROUND

Within living memory the village of Bishop Wilton has changed from a working village with farms, shops, an engineering workshop and a choice of pubs into a village which is essentially residential. In June 2018 the last village store, which in earlier years had included a post office, ceased trading. There had been a shop on the same premises in the centre of the village for nearly eighty years.

Many local residents were concerned that an asset as important to the community as its local shop might be permanently lost. In July 2018, three residents organised a public meeting to establish whether there was, in principle at least, support in the village to run a shop as a community venture.

Following the positive response at that meeting a working group was formed with the task of exploring the viability of a community shop for Bishop Wilton. This working group, comprising eight local residents, undertook detailed research into business models for community shops and examined the nature and extent of both the commercial and social demand for a shop in the village. By the beginning of September 2018, we had started working with the Plunkett Foundation, a leading national charity specialising in supporting community businesses. During this period, we received invaluable moral support, as well as financial assistance, from the Bishop Wilton Parish Council.

In November 2018 we held a second public meeting, which was attended by more than seventy local people. Having received an update on the working group's activities those present voted unanimously to endorse the community shop project and to appoint the original working group as the project's steering Committee.

In taking the project forward, the Committee has been encouraged by the extent of the enthusiasm that exists in the village for its own community shop. Offers of support have taken many forms and,

crucially, given the nature of a community shop, a significant number of residents have expressed the wish to volunteer in setting up and running the shop.

## 4 THE 'COMMUNITY SHOP' AS A DISTINCTIVE WAY OF RUNNING A BUSINESS

The hallmark of a community shop is community control: it is an enterprise that is owned, managed and staffed by the community in which it is located and trades. The community is the principal stakeholder in the venture, contributing to its sustainability by offering both finance and time through volunteering. The community also provides the core customer base of the shop.

When a community shop trades as a community benefit society (CBS) registered with the Financial Conduct Authority, its members – those people who have bought shares in the society – enjoy limited liability in much the same way as company shareholders do. However, CBSs are unique as legal business structures, as profits can only be used for the community's benefit rather than being distributed to individual members.

This means that for those involved in a community shop trading as a CBS, whether through financing, as volunteers or as customers, their contribution is an investment in their community. Whatever form it takes, their contribution is welcomed and valued

## 5 THE MISSION OF THE BISHOP WILTON COMMUNITY SHOP LTD

To set up and run an economically sustainable village shop owned and managed by the community, which is mainly staffed by community volunteers and which operates exclusively for the benefit of the community as a whole. The shop will provide an attractive, welcoming, inclusive and valued focal point for the village, servicing and supporting the diversity of the village community and its visitors.

## 6 OBJECTIVES OF THE BISHOP WILTON COMMUNITY SHOP LTD

In order to achieve its purpose as a business for the benefit of the community, the Bishop Wilton Community Shop business will have the following objectives:

- Retailing from a convenient location a variety of goods and services to the residents of, and visitors to, Bishop Wilton and the surrounding area.
- Supporting local business and the rural economy by providing an outlet for local farmers, producers and other enterprises.
- Facilitating the availability of third-party services to the community.
- Enhancing skills and access to training by providing opportunities for volunteering.
- Adding to opportunities for social interaction in the community by providing volunteering opportunities and a convenient central information and meeting point.
- Creating a sustainable facility that is in keeping with its environment.
- Applying available profits exclusively to the benefit of the community.

## 7 THE BENEFITS OF A COMMUNITY SHOP

In addition to supplying goods and services, a community shop has other benefits for local people. The benefits include:

- Social interaction and reduction of social isolation.
- Volunteering.
- Information.
- Community welcome.
- A meeting point.
- Community spirit and community caring.
- Increased visitor and tourist spend in the community.
- Support for the rural economy by sourcing as many products from local suppliers.
- Work experience.
- Educational opportunities for the village school and other local schools.
- Lower environmental impact through reduction in vehicle journeys and food miles.

The shop will complement the school, the church, the village hall and the pub as hubs for the community. By being open to everyone on a day-to-day basis it can make a distinctive contribution to village life.



## **8 WHY A COMMUNITY SHOP FOR BISHOP WILTON CAN SUCCEED**

Given that the previous village shop closed in summer 2018, it would be useful to set out the reasons why running it as a community shop would be commercially successful.

### **Community shops are resilient businesses**

Community shops have a 94% long-term survival rate, which compares extremely well with the survival rate of equivalent privately-owned ventures. This is detailed more fully later in the plan.

### **Available surpluses re-invested in the business**

Trading as a registered Community Benefit Society means that while the shop must break even, it will not be providing the livelihood of its owner. Instead, available surpluses can be re-invested in the business or distributed to support activities that benefit the community.

### **The community 'buys into' the success of the shop**

The sale of shares in the community benefit society will spread ownership among local people, giving the community a real stake in the shop's commercial success.

### **A professional makeover for the shop**

The start-up of the community business will involve a significant investment in re-designing the shop's layout and presentation, enlarging the useable space and creating a welcoming and comfortable ambience which is attractive to customers.

### **Volunteers key to the success of the shop**

A significant factor in the success of community shops is the predominance of volunteers. Currently, over 50 local residents have indicated they would like to volunteer. The shop's management will ensure, through its recruitment and volunteer development practices, that volunteering is a fulfilling experience and that volunteers are motivated to make a long-term commitment.

### **A modern approach to communication with customers**

Community ownership gives a shop a much more direct link with its customers than a private business could hope for. Our shop, using the range of media now available, will have a genuine

dialogue with customers. We will be able to accurately gauge customer demands and develop our offering in response to their wishes.

The Management Committee will also appoint a marketing group, which will promote and brand the shop not just to the village but to a wider market.

### **Membership of the Plunkett Foundation**

The shop group has joined the Plunkett Foundation, a national charity that specialises in encouraging and supporting rural communities to set up community co-operatives. The Foundation is involved with communities that run ventures such as pubs, cafes and shops. The Foundation has expert teams to give guidance on the legal, financial, business planning and community engagement aspects of getting started as a business. The teams continue to work with shops once they are up and running and also act as lobbyists, representing views to governments, funders and other support organisations.

### **An experienced and enthusiastic committee**

The present committee is highly motivated to make a success of the shop. The committee has a range of relevant experience and skills, including successful entrepreneurship and business development, accountancy and financial management, design, communications, management, administration, fundraising and staff development.

## 9 HOW THE COMMUNITY CAN MAKE THE SHOP A REALITY

If the shop is to be sustainable over the long term, now is the time to build upon the community's enthusiasm for the project with practical action and support. The main things the project needs from the community are:

- Help raising the necessary start-up funds by buying as many shares as possible or making donations.
- Help in the start-up phase with fundraising, publicity, refurbishment etc.
- Providing enough volunteers so that the shop can operate.
- Providing ideas and feedback on how the shop can be more successful and serve the community better.
- Spending money in the shop.



## 10 THE MARKET FOR A COMMUNITY SHOP: DEMAND

In this plan, evidence of the demand for a community shop in Bishop Wilton comes from two sources: data provided by the Plunkett Foundation on the business of community shops nationwide, and data derived from responses to a survey, in the form of a questionnaire, undertaken in the village during summer 2018.

### Plunkett Foundation data

In its 2018 report *Community Shops: A Better Form Of Business*, the Plunkett Foundation provided the following information on community shops.

- At the end of 2017 there were 346 community shops trading in the UK.
- Only 24 community shops had closed since 1992, 'resulting in a 94% long term survival rate' of community shops.
- By way of comparison, the Foundation estimates that between 300 and 400 privately owned village shops are currently closing each year.
- The average turnover of a community shop is £162,000 a year, with average net profits of £3,800.

The evidence is that, along with giving support in other ways, people are prepared to commit to their community shops in the most important way by being their customers and buying what they have on offer.

The Foundation report also identified the 10 items most sold by community shops in 2016. In rank order, these were:

1. Dairy and eggs.
2. Bread and bakery.
3. Newspapers and magazines.
4. Soft drinks.
5. Cigarettes and tobacco.
6. Wholefoods and Groceries
7. Confectionary.
8. Alcoholic beverages.
9. Cards and stationery.
10. Cafe services.

This confirms that there is a clear market for the goods and services offered by local community shops.

### The Bishop Wilton survey

There were 77 responses, some individual and some from households, to the steering committee's questionnaire. 68 respondents (83.3%) said that they would use the shop at least once a week, with over half (45 respondents, 58.4%) saying that they would use the shop two to three times a week.

Respondents were asked to identify the types of goods and services they would like to see offered by the shop. The goods included:

- Meat and dairy.
- Fresh fruit and vegetables.
- Bakery.
- Packed and tinned groceries.
- Confectionary.
- Household items.
- Toiletries.
- Greetings cards and stationery.
- Alcoholic beverages.
- Prepared meals and sandwiches.

The services included:

- Café.
- Postal services.
- Parcel drop off and returns.

There is consistency between the national data on actual sales by community shops, and what respondents to the Bishop Wilton survey said they would like in their local shop. As the national data relates to real transactions, it is a useful indicator of how the Bishop Wilton survey responses might be expected to translate into concrete demand.

The Bishop Wilton respondents were also clear that they would like to be able to buy local produce. Again, this is consistent with the national data, with local produce being the fifth most profitable line in nationwide sales.

## **11 THE MARKET FOR A COMMUNITY SHOP: CUSTOMER BASE**

### **1 Bishop Wilton Parish**

In 2011, the population of the civil parish of Bishop Wilton, which includes the hamlets of Youlthorpe and Gowthorpe, was 554 people living in 227 households. The village is a mixed community. Some older residents were born and brought up in or near the village, while others have retired here. Of the younger population, while some were born here many have consciously chosen village life for themselves and their families.

### **2 Visitors to Bishop Wilton Parish**

Visitors to the village fall into the following categories, all of which would form part of our community shop's customer base.

- People visiting and staying with friends and families in the village
- Visitors to the church, including people attending church services
- People coming to the school from outside of the village
- Workers and tradespeople visiting the village
- People passing through the village or using the village as a base for recreational activities, particularly walkers and cyclists for whom the village forms part of long-established and popular routes.
- Visitors, including sports clubs, using the modern, well equipped village hall and adjoining playing fields.
- Holiday visitors staying in the local pub, one of the holiday lets in the village or at the Wolds Edge complex of self-catering holiday huts and chalets on the edge of the village.
- People passing from the A166 York-Bridlington road.



## 12 THE MARKET FOR A COMMUNITY SHOP: COMPETITION

The following are sources of potential competition for the community shop.

Retail outlets in Pocklington (5 miles away) and Stamford Bridge (6 miles away).

- The Tuesday street market in Pocklington.
- Mobile traders who visit the village weekly.
- The Bugthorpe village shop
- On-line supermarket deliveries.
- Local farm shops.

Clearly the competitive environment offers a number of challenges for the village shop. However, the village shop has some competitive advantages over its rivals.

- Through the questionnaire the community has already indicated the types of goods and services it would like to see offered by the shop. These preferences align closely with the offerings of successful community shops across the United Kingdom. Community influence will be ongoing, with volunteers identifying and selecting suppliers, including local producers. The shop will therefore be in a strong position to satisfy local customer demands
- People living in the Bishop Wilton area currently tend to drive or catch the bus to Pocklington for day-to-day shopping. The nearest city is York, a 30-40 minute drive away. A taxi to Pocklington costs around £12 for a single journey. There is a very limited bus service to Pocklington and York with the last buses returning to the village mid-afternoon. Daily shopping for fresh food can be inconvenient and time-consuming for those who cannot drive, and even for those who can. The village shop will reduce the need to leave the village to purchase 'daily items', such as milk, bread and papers.
- On-line retailers are a major competitive threat to small, local retailers. The village shop can reduce this threat by providing distinctive items such as the locally produced fresh food, that large internet retailers do not supply. There is also no minimum spend or delivery charge for items bought in the shop. Moreover, it is still the case that many people do not shop on-line.
- The location of the shop is a competitive advantage in terms of being able to supply visitors coming to the village for recreational purposes.

Walkers and cyclists, for example, are unlikely to take a detour from the village to buy something like a sandwich or a drink.

- The appearance and layout of the shop will create a pleasing, welcoming ambience so that customers will like being in the shop and view it as a place for social interaction as well as buying supplies. This will contrast with the customer experience in some of the outlets in nearby towns, which can seem indistinctive.
- The shop will have an active marketing strategy, promoting its goods and services to the immediate community and beyond.
- The shop will seek to work with other local businesses, such as the village pub, in ways that can extend and enhance the availability of goods and services to the community.
- Community ownership and involvement is a tremendous incentive for local people to use their own shop.
- 'Community Shop' as an expression of localism is a powerful brand. Community shops promote the sustainability of local communities and producers, reduce the carbon footprint of a village, and return profits to the communities where they are made. There is a competitive advantage in pointing out to customers the ethical choice they can make by using a community shop.

### 13 THE PREMISES, LEASE AND LOOK AND FEEL OF THE SHOP

One of the most important questions the working group had to answer was: where could the shop be located?

We knew that there was no option to rent the previous shop from the current owner and had worked with the local estate to ascertain the possibility of any other existing buildings in the village. There was also support from Bishop Wilton Hall and ideas were mooted for a building on their grounds although this would have an impact on costs, service and proposed building work at the hall.

The option for the existing shop to be purchased by a third party and leased to us on favourable terms became possible and was chosen based on a full assessment of the pros and cons of the various options.

We understand that an offer to purchase the shop has been accepted (subject to contract). Over the next few weeks we expect to have finalised the terms of the lease. We expect the main terms to be:

- 20 year term with an annual break clause for tenant (us)
- Rent free for the first three years rising to £25 per month in year 4 , £50 per month in year 5, £80 per month for years 6 to 10, £90 per month for years 11 to 15 and an increase based on the retail price index, capped at no more than £120 per month, for years 16 to 20
- In view of the low rents, tenant to be responsible for all initial building work and fitting out costs to refurbish the shop inside and out and tenant to also be responsible for arranging and paying for buildings insurance and any ongoing repairs and maintenance

It should be noted that the purchaser of the shop premises is Peter Marriage the father of Ruth Rowland. We are very grateful for the kind offer to purchase the shop and lease it to the community on favourable terms, but are aware that this could create a potential conflict of interest. In order to avoid this Ruth will not be involved in any discussions or votes with regard to the lease or any matters which would impact on the relationship with the landlord.

The existing shop building needs a makeover inside and out. We have agreed that the premises will need the following facilities.

- Toilet available for customers and staff.
- Improved access.
- A Post Office or sale of stamps and a parcel collection/drop off service.
- Till area.
- Kitchen area (for preparation of drinks and snacks).
- Storage for stock/organisation.
- Shop shelving.
- Chiller/freezer cabinets.
- Seating/tables.
- Wifi.
- Water refill point (possibly outside).

The overall look and feel of the shop will be warm, friendly and bright. By removing the partition walls we will create a large airy space, with new carefully planned lighting. The walls will be kept white for a clean and fresh look, contrasting with darker wooden elements in the fittings.

The main material we will use is wood, and wherever possible we will be re-using and re-purposing the old shop fittings to keep waste to a minimum. This might be done by laminating and encasing metal shelving for example.

The goods will be displayed in an appealing and inviting way – alluding to a farmer's market.

The shop front will be painted in a fresh white, with the signage (using the shop logo) and the shop window as the main focal points. The window will be kept free of clutter, but will feature seasonal displays and fresh produce.

## 14 THE OFFER – GOODS & SERVICES

The shop has four main customer bases: local residents, school children and parents from outside the village, passing trade, and tourists/leisure visitors. Attention to all four customer bases will, we believe, keep the shop sustainable. Our range of goods and services therefore will reflect these needs. The committee has done its own research into these customer bases including visits to other shops, chats with leisure groups and a village questionnaire. From the research, the following list has been drawn up.

Goods	Services
Local produce where possible: fruit & veg, meat, meat products e.g. sausages & burgers, dairy products, eggs, ice cream, cakes, bread, jams & chutneys, cards & stationery. Some products will be shelf stock and others will be listed for order	Drinks/snacks café style
Essentials: bread & bakery, milk & other dairy, tea & coffee, tinned & packet foods. Basic ranges of frozen foods, cleaning products, toiletries, OTC medicines and stationary	Small bicycle repair station
Grab-and-go lunch items	Start/finish points for walks/rides around the area with maps
Gifts	Craft workshops
Logs/kindling/firelighters/matches	A place for fish orders
Alcohol	A drop off for dry cleaning and shoe repairs
Cigarettes	Post Office or parcel drop off/collection
Stamps	A place to buy tickets for local events
Ready meals	Noticeboard
Local arts/crafts	A post box and village noticeboard is outside the shop
Cards/stationery	Wifi (and help with the internet for those without access)
Seasonal promotions	Delivery of goods will be considered once the shop is up and running
If space, second-hand books/ magazine/DVD/ games swap area	Free water refill

It is possible that not all of these will be in place on day 1 and we will look in any event to evolve the range of goods and services offered over time based on future demand from our customers.

We have drawn up a list of local suppliers. In addition, we are visiting local farmers' markets and fairs to find suppliers to supplement this. We will also publicise this and ask local producers to come forward. Essentials will be purchased through a combination of cash & carry and by tying in with the local pub/restaurant's deliveries. Seasonal goods may come through any of these channels.

## 15 MARKETING AND PUBLICITY

Awareness within the community is already high. We have placed articles in the bi-monthly village magazine, attended several events to gather opinions, individually leafleted the whole village and surrounding villages, distributed questionnaires and, of course, there is 'word of mouth,' which travels fast and far.

Volunteer meetings and a "taste of things to come" before the opening will also help to market the shop before its launch.

There will be a launch event on the opening day. Once we have confirmed the opening date the launch will be publicised within the community and through local media to the wider surrounding area including Pocklington and Stamford Bridge. This publicity will be across social media platforms as well as the local press. TV and radio will be invited, in order to gain maximum publicity. Our team includes design, social media and organisational professionals and they will help make the launch as effective as possible.

Ongoing 'advertisements' and announcements will be placed in the Parish Pump village magazine, the Pocklington Post, the village and shop website and social media. We will make direct contact with local groups. We have also made a link with the local community radio station Vixen 101FM.

The shop will be in the centre of the village and so most visitors will pass it on foot or by bike, car or commercial vehicle. Its attractive appearance combined with good signage should make it inviting to them.

School pupils and their parents will be important customers. Many people visit the Bishop Wilton Hall for sports events, weddings and parties and we will attract customers from among them. There are also several village events including the Spring Fair, Wilton Weekend, Bishop Wilton Show, Lantern Walk, Snake Lane 10K Run and Christmas Fair. These can be used not just to boost sales on the day but to raise awareness of the shop to visitors.

Once the community shop is open, our marketing objectives become the promotion of the shop and its services. Our business model is based on repeat customers plus visitors, with people returning to us again and again. We therefore need to ensure that every time someone shops with us they leave having had a positive experience. While the look and feel of the shop is important, good customer service is vital. Our customers must feel confident that whatever they buy from us will be of the quality expected and that they will be treated in a friendly, professional way.

We will provide feedback forms in the shop to encourage customers to tell us what they think, what products we should offer and how we can do better. If the community shop provides a positive experience for our customers and volunteers, then we would hope that they will provide word-of-mouth publicity.

The marketing planned for the shop includes:

- Brand image: a brand identity has been developed for the shop by our own design professional, which will be used on all promotional material, merchandise, communications and online presence. The image mark of the logo for the shop represents the first impression that most people have when visiting the village: the church spire can be seen from far away and is widely recognised in the area. The green colour tones allude to the green hills around the village and its closeness to nature, and also to the ecological aspect of the shop. The colour green has also traditionally been used for painting woodwork throughout the village. The typeface is friendly, warm and approachable. It has a traditional, yet contemporary feel.



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- Online presence: a shop website has been developed and will eventually include details of opening hours, contact details, products and promotions. The website will also give customers the opportunity to provide feedback on what they want to see in the shop. Our social media platforms of Facebook, Twitter and Instagram will offer a live and current interaction with customers, promote the shop and the village and is a source of direct feedback.

We will make sure that we appear on Google Maps.

We will seek to make links with other businesses when we can work together for mutual benefit including the Fleece Inn, Bishop Wilton Hall, Wolds Edge Holiday Lodges, Garrowby Estate and local holiday accommodation. We will also encourage people to review us on Trip Advisor.

## Other marketing activities

- Advertising special promotions and seasonal goods on posters placed in the shop. windows and newsletters distributed door-to-door.
- Selling branded re-usable cotton bags.
- Making links with the tourist board and Visit Hull and East Yorkshire (VHEY).
- Local newspapers, for example the York Press and Pocklington Post.
- Special offers or promotions such as 'Fresh Fishy Friday' or 'Soup Saturday'.
- Suppliers and shop promoting each other.
- Providing information leaflets, sampling of selected lines.
- Prominent signage on the junctions of the A166 and village access roads.
- Capitalising on Bishop Wilton being on popular walking, running and cycling routes.
- Regular placing of advertisements in the Parish Pump village magazine.
- Targeting the holiday makers to Wolds Edge Holiday Lodges.
- Incomers to the parish will be targeted with 'welcome packs' that will alert them to the shop and its services, provide them with a voucher towards their first purchases in the shop and invite them to become shareholders and/or volunteers in the shop.
- Ongoing supplier fairs to try new products
- We may, once up and running, introduce loyalty schemes, vouchers/tokens, accounts/slates or co-promotions with other businesses.
- Support for local activities: from time to time the community shop will support other groups, eg donation of raffle prizes in return for publicity in a programme. In the fullness of time, there may be surplus money to open a grants programme to give back to the village.



## 16 STAFFING AND OPENING HOURS

The shop will be staffed by volunteers as well as a part time paid manager (yet to be identified). While the community shop is becoming established it is expected there will be no other paid members of staff. One of the committee members will manage volunteers. Staff will have simple uniforms in the form of branded tops and aprons.

All staff will be trained in use of the cash register/EPOS system, handling money, customer service, health & safety, food hygiene, manual handling. Selected volunteers will be trained in stock management. Other training may be necessary on an individual basis. The shop may offer work experience and volunteering opportunities to local schools and organisations such as the Scouts.

We will employ a 'no blame' team culture in the staffing of the shop, everyone is here to help.

More than 50 people have already indicated that they would be willing to work in the shop. The availability/preferences of these volunteers will obviously determine when the shop can be open, but our preferred opening hours and suggested shift times are as follows:

### Preferred opening hours

Monday to Friday (excl bank holidays)	0715–1900
Saturday	0830–1700
Sunday/some Bank Hols (no deliveries)	1000–1600

These opening hours are provisional and it may be necessary to build up to these over time, although it is our intention to at minimum match the opening times of the previous shop from day 1

### Suggested shift times

Monday to Friday	0700–1015	1000–1315	1300–1615	1600–1915
Saturday	0815–1130	1115–1430	1415–1715	N/A
Sunday and Bank Holidays (no deliveries)	0945–1315	1300–1615	N/A	N/A

These shift times are provisional; start and finish times may have to be adjusted once the shop is up and running.

### Post Office

As yet we have not made a decision about whether to go ahead with setting up a post office, but will look at the opening hours and staffing of this if we decide to proceed in the future.

## 17 TIMETABLE

The outline timetable currently envisaged is as follows:

### April/May 2019

- Third party to agree purchase contract for shop
- Agree detailed lease terms
- Raise finance through sale of shares, donations, grant applications and/or fundraising events
- Finalise shop design and building/fit out scope and quotes
- Obtain required planning permissions
- Confirm volunteer numbers and experience
- Shop manager ideally identified
- Confirm overall funding position and updated costs

### Early June 2019

- Decision whether to proceed or not based on volunteers recruited, funds raised and any other relevant factors
- If decide to proceed third party to complete on purchase of shop and lease document signed

### June/July/August/September 2019

- Building regulations, building work and fit out
- Trade fair held to select local suppliers and produce
- Finalise suppliers and purchase initial stock
- Volunteer training
- Manager recruitment and induction
- Licenses, approvals and systems set up

### September 2019

- Target opening (subject to change based on final timings for the activities listed above)

## 18 LEGAL STRUCTURE AND GOVERNANCE

The Bishop Wilton Community Shop Limited (the Society) is a community benefit society, registered with the Financial Conduct Authority, under the Co-operative and Community Benefit Societies Act 2014, registration number 8047. The Society has adopted the Plunkett Foundation's 2017 model rules for community ownership.

### Principal features of the Society:

- The Society is a community venture owned by its members and the Society must actively encourage membership.
- Although the Society operates on commercial lines, its purpose is to benefit the community and it must not distribute profits to individual members.
- Individuals become members by buying at least one £10 share in the Society.
- Members have limited liability, which in general terms means that if the Society becomes insolvent, they may lose the purchase price of their shares but they cannot be called upon for more money to meet the Society's liabilities.
- The maximum shareholding is £100,000, although individuals are restricted to one vote per person at Society meetings, irrespective of the number of shares that they own.
- Membership is open to people over the age of 16.
- Membership gives members information, the right to attend and vote at general meetings and the opportunity to be elected to a representative role in the running of the Society.
- In addition to general meetings and reports, the Management Committee will actively communicate with members and seek their views.
- The Society is managed by its Management Committee who, for the most part, are elected by and from the membership, although there is limited power of co-option of no more than a quarter of the Management Committee's membership.
- The Management Committee reports to the members at the Annual General meeting.
- The Management Committee has adopted the Plunkett Foundations model code of conduct for management committees and every member of the Committee must comply with this code.

## 19 RISK MANAGEMENT

There will be a number of risks involved in starting up and then running our community shop. It is crucial to be able to specify and manage these risks, identifying actions that reduce the likelihood that they actually occur, or, if they do occur, that any adverse impact is minimised.

Being able to manage risk from the outset of the project's set-up and onwards into the running of the shop once it has opened is a core objective of the Committee. The Committee will establish a risk register from the outset of the project and the first iteration of the register is in Appendix 2. The register assesses risks in terms of likelihood and severity of impact and identifies measures for their mitigation. The register will be monitored at every Committee meeting during the start-up phase and when the shop opens it will be fully reviewed and redrafted. Thereafter, the register will be reviewed quarterly by the Committee and a report on risk will be a matter of formal report at members' annual meetings.



## 20 FINANCIAL FORECASTS AND START UP COSTS

Appendix 3 shows our income statement projections for the first 3 years of trading. These exclude start up costs (see below).

The figures used (for sales and gross profits in particular) are based on best available information from a number of other community shops and also with reference to the historical trading levels of the village shop.

We have assumed a part time paid manager will be employed to ensure that the shop operations are properly managed, but the final position here will depend on the number, experience and time commitments of volunteers. We have also prudently included a contingency of 5% of estimated costs in line with other business plans prepared by community shops

We are forecasting that the community shop will make a cash profit before depreciation costs from year 1 onwards, but that after taking account of depreciation it will make a small loss in the first 2 years before moving to profit in year 3. We believe this is an acceptable position for a new business with a long term vision and growth plans.

### Start-up costs

The total estimated cost of starting up the new business is £56,500 (including VAT). This comprises the following costs:

Building works and related fees	26400
Fixtures, fittings and equipment	13800
Computers and systems	2700
Insurances, licenses and checks	700
Initial stock	7500
Publicity and advertising	750
Plunkett fee and forming CBS	550
Other set up costs and advice	1600
Contingency	2500

**Total up front costs (incl VAT) 56500**

Start-up costs are significantly reduced as we will lease rather than buy the previous shop. However, as the new lease will have favourable terms, we have agreed to pay for the initial work required to improve the building and increase usable space.

The building works estimate includes removing a number of internal partition walls to create a significantly bigger space for products and café. Floor and ceilings will also be levelled and renewed and a small kitchen and new toilet installed. Electrics will also be renewed with new lighting. A significant amount of insulation will also be added together with new doors and windows. We may

also in the future add a mezzanine floor to support future growth and services, but the costs of this have not been included at this stage.

Fixtures, fitting and equipment include kitchen units and equipment, shop fixtures including chillers/freezers, standalone heating, quality hot drinks machine and new signage.

We will use volunteers/"mates rates" wherever reasonably possible to reduce start-up costs. It would also be possible to reduce some of the above costs if funding is not available, although this would affect the look and feel of the community shop and how we can promote it.

## 21 FUNDRAISING STRATEGY

The start up costs will be met chiefly from sale of community shares, supported by grants and donations. Loans will be considered as a final option if required.

### Share capital

Shares will be sold through a Share Offer for a limited period of time at £10 each with a minimum of 1 and maximum of 500 that can be purchased by each individual. We are seeking to raise £52,000 from this Share Offer with a minimum required of £35,000. Further details and an application form are included in our Share Offer document.

### Grant funding

An expression of interest has been made to East Riding of Yorkshire Council under the LEADER programme to support fit out costs. We expect to hear in April if we will be invited to submit a full application. We are also considering making grant applications to National Lottery Awards for All (towards refurbishment), Prince's Countryside Fund (could fund core ongoing costs) and the National Lottery Community Fund (again for ongoing costs). Grant applications are lengthy and extremely competitive processes and whilst we hope to be successful with at least one of the applications, the business plan is not reliant on this provided we can raise the preferred amount in shares

### Donations

We are very grateful to the Parish Council for their donation of £3,301 which has enabled us to progress this project. We welcome all other donations which can be sent by cheque made payable to Bishop Wilton Community Shop Ltd and delivered to our registered office at 2 Main St, Bishop Wilton YO42 1RX or by bank transfer to The Cooperative Bank, Account name Bishop Wilton Community Shop Ltd, Sort Code 08 92 99, Account number 65865840.

We plan to also have at least one fundraising event during the fundraising process and may also do some crowdfunding later in the process.

### Loans

Ideally we will raise all the funding required through shares, grants and donations. If this is not the case we will consider bank or other loans provided we are satisfied that the business can support the interest and loan repayments required. It may be possible to obtain bridging finance in respect of the VAT element of the start up costs

until this can be reclaimed. If any member of the community is interested in making a loan on an interest free or low interest basis they should contact a member of the Management Committee.

## 22 EXIT STRATEGY

There may come a point when the Committee feels that the plan to open a shop must be abandoned. This could be for a number of reasons:

- Inability to secure sufficient funds.
- Inability to secure sufficient volunteer support.
- Inability to secure a lease on appropriate terms.

If it becomes clear to the Committee that the plan to open the shop has to be abandoned:

- Funds received through share purchases, loans and grants will be repaid and donations will also be repaid to the fullest extent possible.
- Bishop Wilton Community Shop Ltd (the community benefit society) will be dissolved.

If the shop is opened successfully but at any point in the future it is necessary to cease trading:

- Any decision to close the shop will be made in consultation with shareholders, the Parish Council, the landlord and any other person or group who has an interest in the operation of the shop.
- Remaining stock and assets will be sold for what they can realise on the open market.
- If the lease has any stipulations about the premises in the event of surrender, these will be discharged.
- Remaining funds will be used first to repay creditors and then, if possible, refund shareholders. It should be noted that as a substantial element of the start up costs are for refurbishment and fixtures and fittings for a leasehold premises, it may be difficult to realise any substantial proceeds for these. Therefore, if the shop fails or ceases to operate for some other reason, there is a significant risk that shareholders will lose some or the entire value of their investment. If, however, shareholders are repaid in full any remaining funds will be transferred, according to the society's rules, to another community organisation.

## APPENDIX 1

### SWOT analysis for the Bishop Wilton Community Shop Ltd

Strengths	Weaknesses
Only shop in village and close vicinity.	Previous shop business ceased trading having struggled to be commercial viable.
Vacant shop has an established, visible and accessible presence in central village location.	Previous customers now accustomed to shopping elsewhere.
Majority of village houses have year-round occupation.	Current premises require refurbishment.
Nearest town with a significant retail presence 4.9 miles from village.	High reliance on volunteer commitment.
Many holiday and recreational visitors to village.	High reliance on community and other funding sources to finance start-up costs.
Public transport links poor.	High level of competition for funding from grant making bodies.
Market research demonstrated need for shop and level of potential demand for a range of goods and services.	Little parking space directly outside the shop.
More than 50 expressions of interest from potential volunteers.	
Proven community willingness in the village to commit to community projects.	
Shop project supported by Parish Council and several other local bodies.	
Access to expertise through membership of Plunkett Foundation.	
Steering group has a range of relevant professional and entrepreneurial skills and experience.	

Opportunities	Threats
Community focus allows offering of goods and services tailored to local demand.	Slow progress of project erodes community enthusiasm and support.
Development of Post Office services.	Post start-up, community support and customer base insufficient for commercial viability.
Sale of community shares establishes an owner-customer base committed to shop's viability.	Convenience and diversity offered by competition, particularly on-line retailers.
Volunteer engagement and development leading to excellent customer experience.	Limited volunteer engagement and/or decline of volunteer support.
Focused marketing strategy develops customer base, particularly among visitors.	Insufficient funds raised through sale of shares and/or grant applications.
Financial support from grant making bodies.	Lack of competence in volunteers create commercial and legal risks.
Collaboration with local producers and suppliers of other local goods and services creates a distinctive offering.	Inadequate management.
Engagement with runners, walkers, cyclist and their clubs and with holiday makers means we could develop new services.	Potential for additional people causing noise, litter, etc, which might cause bad feeling in the village.

## APPENDIX 2

### Risk Register<sup>2</sup>

No	Risk Event	Causes	Impact	Owner	Score*			Actions
					L	I	T	
1*	Failure to raise sufficient start up funds	Share sale falls short and/or inadequate grant funding	Project cannot proceed or is substantially cut down	MC	3	5	15	1. Extend share offer period. 2. Grant applications asap. 3. Explore reducing start-up costs
1*	Failure to recruit sufficient volunteers for initial phase	Lack of publicity / promotion; insufficient recruitment drive; Committee overestimate numbers.	Shop cannot open or restricted hours with loss of revenue	MC	3	5	15	Recruitment and training in tandem with share offer and refurbishment
1*	Failures in operational management	Lack of appropriately skilled shop management; limited retail experience in Committee.	Appropriate operational actions not taken on time; delays; losses.	MC	3	5	15	1. Recruit appropriately skilled manager/ lead volunteer(s) ideally before lease signed. 2. Recruit operational retail management experience to Committee.
4*	Start up costs increase significantly	Building work / scope; unforeseeable refurbishment complications	Budgeted funds inadequate; cuts in other areas of the plan.	MC	3	4	12	1. Establish shop design and scope early. 2. Firm quotations from builders etc. 3. Mates rates / volunteers 5% contingency in plan.
4*	Refurbishment of shop restricted	Desired planning approval not obtained	Loss of desired 'look and feel'	MC	3	4	12	Full planning application asap
4*	Failure to retain sufficient volunteers post start-up	Lack of community motivation; poor workplace morale; disappointed expectations	Short-staffed; reduced opening times; disappointing customer experience; loss of revenue.	MC	3	4	12	1. Ongoing training and recruitment 2. 'No blame' culture 3. Volunteer involvement in decision making

4*	Management Committee under-performance	Lack of retail experience; members have other commitments; resignation (esp. post start up phase); ongoing roles not clearly defined/ appropriately filled.	Shop inadequately overseen; important threats / opportunities not foreseen; future development of business sub-optimal.	MC	3	4	12	1. Plan 'staff development' for Committee in key areas. 2. Recruitment of Cttee members to fill competence gaps. 3. Succession planning, particularly for post start-up.
4*	Insufficient customers	Shop carries 'wrong' stock; existing / new local and on-line competition; insufficient promotion; disappointing 'look and feel'.	Inadequate revenue reduces shop to skeleton activity / poss. Closure; long term loss of shareholders' investments.	MC	3	4	12	1. Ongoing effective promotion and publicity. 2. Planning to ensure supply what customers want 3. Ongoing focus on appearance, ambiance, etc.
9*	Loss of property / vexatious claims	Inadequate insurance cover.	Various types of loss	MC	2	5	10	Appropriate insurance for assets and individuals. Appropriate security once operational.
9*	Fraud /other criminality	Criminal act by manager / volunteer / Committee member	Loss of property including cash; loss of member / public confidence; reputational harm	MC	2	5	10	1. Two signatories for all payments 2. Monthly a/cs summaries 3. Clear delineation of roles and financial authorities.
11	Buy too much / wrong initial stock	Lack of experience	Stock losses	MC	3	3	9	1. Budget set 2. Review stock lists from other shops / previous shop. 3. Trade fairs & community engagement
12*	Failure to comply with regulatory requirement	Compliance obligations inadequately understood; non-existent / inadequate compliance training	Legal liability in such areas as H & S, food safety, equal treatment, occupier's liability, financial reporting, data protection, CBS governance, etc.	MC	2	4	8	1. Proactive liaison with Plunkett Foundation. 2. MC establishes compliance oversight. 3. MC plans compliance staff development for itself and volunteers.

12*	Loss of community goodwill	Adverse environmental impact (eg parking); poor relationships with local businesses; shop perceived as expensive / exclusive; examples of poor customer care ethos.	Complaints; stress for staff; loss of custom	MC	2	4	8	1. Plan parking contingencies. 2. Staff training 3. Ongoing liaison with local businesses. 4. Good customer 'dialogue' and promotional activity.
12*	Mishap or other adverse incident on premises	Power-cut; flooding; staff / customer accident; robbery.	Damage to premises / stock; liability to customer / staff; emotional upset.	MC	2	4	8	1. Appropriate training 2. Appropriate insurance

\* Joint place

L = Likelihood (1: remote; 2: unlikely; 3: possible; 4: probable; 5: highly probable)

I = Impact (1: insignificant; 2: minor; 3: moderate; 4: major; 5: extreme/catastrophic)

T = Total (L x I)

<b>I M P A C T</b>	Extreme/catastrophic	5	5	10	15	20	25
	Major	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Minor	2	2	4	6	8	10
	Insignificant	1	1	2	3	4	5
			1	2	3	4	5
			Remote	Unlikely	Possible	Probable	Highly Probable

Likelihood

Red: Major or extreme/catastrophic risks;

Amber: moderate or major risks;

Green or Blue: minor or insignificant risks

### APPENDIX 3

#### Income statement projections for the first 3 years of trading (excluding start up costs)

	Year 1	Year 2	Year 3	
<b>Sales</b>	<b>93959</b>	<b>104777</b>	<b>114855</b>	
Cost of sales	71707	79535	86790	
<b>Gross profit</b>	<b>22252</b>	<b>25242</b>	<b>28065</b>	
<i>GP%</i>	<i>23,7%</i>	<i>24,1%</i>	<i>24,4%</i>	
<b>Wages and overheads</b>				
Insurances and licences	800	816	832	
Heat and light	2000	2080	2163	
Rent and rates	600	612	624	
Transport/mileage	1000	1020	1040	
IT support/software maintenance	600	600	600	
Debit/credit card charges	822	917	1005	Assumes 50% by card
Bank charges	100	100	100	
Printing postage and stationary	300	306	312	
Professional fees	800	800	800	Accountancy etc.
Advertising and marketing	500	500	500	
Repairs and maintenance	1000	1000	1000	
Salary and NIC and pension	9812	10008	10208	Based on part time paid manager
Telephone and broadband	600	612	624	
Plunkett membership	150	200	200	Covers ongoing support and advice
Training	500	500	500	
Volunteer expenses	250	250	250	
Waste disposal costs	240	250	260	
Sundry expenses	250	250	250	
Contingency	1016	1041	1063	5% of costs
<b>Total wages and overheads</b>	<b>21340</b>	<b>21862</b>	<b>22333</b>	
<b>Profit before depreciation</b>	<b>912</b>	<b>3380</b>	<b>5732</b>	
Depreciation	4271	4356	4444	
<b>Profit/(loss) before tax</b>	<b>-3359</b>	<b>-976</b>	<b>1288</b>	

## APPENDIX 4

### The start-up Management Committee of Bishop Wilton Community Shop Ltd.

Annina Diston	Chair
Sally Smith	Vice-Chair
Louise Butcher	Secretary
David Gaskin	Treasurer
Ruth Rowland	
Elizabeth Collins	
Susan Frost	
Edmund Fitzpatrick	
Members are all local residents.	

