

This project is being led by the Kinlochbervie Community Company
Registered No SC347082
Registered Charity SC043794



Loch Clash – as it is today!

Loch Clash, Kinlochbervie Business / Development Plan

1st DRAFT August 2011 – revised November 2011 – revised October 2013



OUR VISION Loch Clash, much more than the OLD harbour!

Steering Group to be created

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Website and FaceBook page to be constructed



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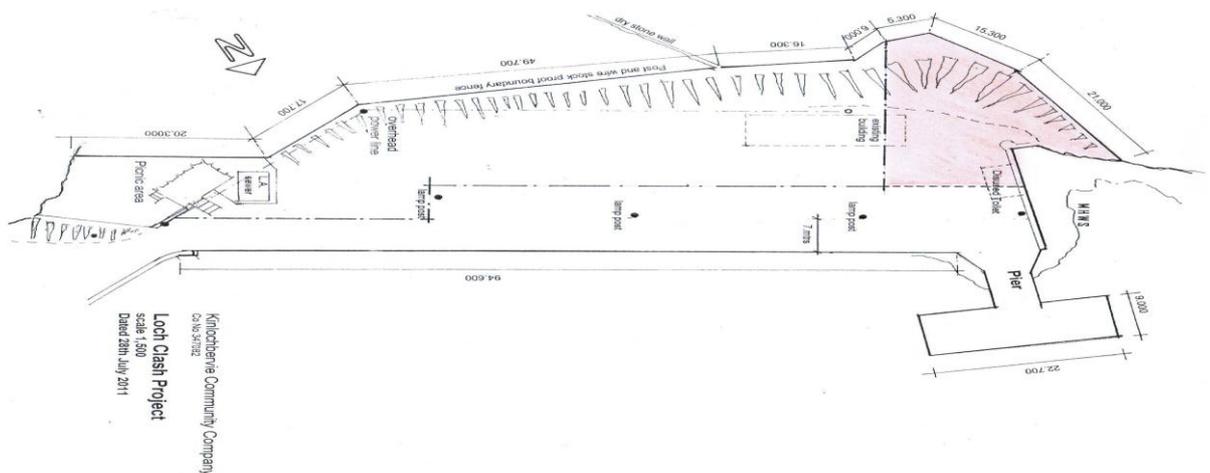
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Map illustrating the area for development

Text in blue – prompted by feedback from support agencies: eg Highlands and Islands Enterprise, HISEZ, SEPA and Highland council

1. Summary

Kinlochbervie is situated in the far north west of Scotland, a remote and vulnerable area. The village has been badly affected by the down turn in the fishing industry.

The old harbour at Loch Clash, has been unused and in disrepair for many years and is seen as a symbol of Kinlochbervie's decline in prosperity.

Our vision is that it could be “more than the old harbour”, the hub of Kinlochbervie.

The new eco friendly building, located at Loch Clash could house a café, heritage centre, bunkhouse and business units providing long term, permanent employment and business opportunities.

Our local community needs a centre for social interaction and improving this area would benefit the community on several levels – well being, raising confidence for the future, working together, pride in their village, revenue, business opportunities and sustainable employment. All of which will encourage people to live in and enjoy being in Kinlochbervie

We would promote the natural beauty in and around Kinlochbervie encouraging visitors to stay and contribute to the local economy.

We have devised a realistic plan with clear objectives and timescales. This will be the foundation of our community project. We believe that once funding has been obtained for the regeneration of this area, we can run a well managed centre which is financially independent, viable and sustainable without future grants.

We already have an excellent skill base in our driving members but will add to this as the steering group is created. In addition to offering training and development opportunities for the community.

We have engaged the community, providing regular updates and seeking feedback. A recent community survey was carried out (July 2013). There was a 47.6% response rate which overwhelmingly said there was a need for local facilities which could be housed at Loch Clash. An Options Appraisal and Needs Analysis has been produced to summarise the community feedback.

Informal planning advice has been sought from SEPA and Highland Council and their response has been both informative with regards the requirements of a building on a coastal location and favourable.

We will monitor and evaluate each stage of the project and address any risks and opportunities as they arise.

We are confident that this would be a valuable asset to the people of Kinlochbervie and can be a financial success.

This centre would be for everyone – **Loch Clash, more than the old harbour.**

2. Business overview

Introduction

Loch Clash was historically the hub of the thriving fishing industry in Kinlochbervie. Following the need for expansion and the development of the harbour at Loch Bervie, Loch Clash has fallen into disrepair and shows significant signs of neglect.

The vision is to regenerate the area, which would include erecting an eco-friendly building which would house a café, information centre, heritage centre, business units and a bunkhouse.

This would create a centre for the village and fulfils the need for a focal point, a place to socialise, maintain historic knowledge and artefacts and to provide budget accommodation. In addition it would address the need for small business units which would encourage members of the community to pursue their business aspirations. This centre would be for locals and visitors alike, providing local knowledge of transport and where to visit and stay.

The redevelopment of Loch Clash and the provision of additional services would provide long term permanent employment and new business opportunities, in an area where traditional jobs in the fishing industry are in decline.

There are currently none of the above mentioned facilities available in this remote village.

Current position

We have been gifted the land and have secured funding from the Ward Forum (Discretionary budget) and Highlands and Islands Enterprise (HIE) to settle the legal fees in relation to this acquisition.

The provision of this facility would attract visitors who currently drive through Kinlochbervie to reach the beaches, especially Sandwood Bay. The proposed Geopark Centre and development of the Cape Wrath trail in the area would also support this project.

Competitive advantage

There is currently no bunkhouse in the area and the only place to have a snack or coffee and cake is the local hotel, which is seldom used by local residents for a quick cuppa.

The location is such that locals walking to the village shop can easily stop for a chat and refreshment before returning home.

There is nowhere in the village where the local history is easily available.

There is no official area where local tourist information and advice can be obtained.

There are no commercial / office units available for rent or purchase.

Current retail outlets are limited to the SPAR, Chandlery and a small gift shop which will be closed in December 2013.

We believe that the centre would be a success as it meets the needs of the community for services which can generate revenue for the local area.

Growth plan

This business plan sets out our plan of action (detailed in section 3 – Project Plan) and the time scales we believe that this can be achieved within.

3. Business strategy

This project is currently being led by the Kinlochbervie Community Company. The steering group, once appointed, will report into this company.

Project Plan

First Stage - completed

- Obtain confirmation from land owners that they are willing to sell / lease
- Seek informal advice and support from Harbours board and local councillors
- Obtain community feedback

Second Stage - Completed

- Secure funding to cover legal costs only as land is being gifted to the community
- Verify boundaries
- Seek informal planning support and advice from SEPA, Highland Council and Highlands and Islands Enterprise
- First draft of business plan
- Obtain community feedback from flyer distributed August 2011 and gauge voluntary and financial support.
- Seek funding advice from BIG Lottery
-

Third Stage – next three months (December 2013)

- Obtain deeds for land – final stages of conveyancing being carried out @ October 2013

Fourth Stage – next six months (March 2013)

- Consider the terms of reference for feasibility study, HISEZ can assist if necessary.
- Hold general meeting with community - suggested we should invite HISEZ to assist with technical queries.
- Review and revise the business plan based on community and support agencies' feedback.
- Formalise Loch Clash steering group, its constitution, officers and members
- Decide on Company Structure
- Set up website linked to the Kinlochbervie home page. This will include a donation button
- Consider partnership working with Geopark and Cape Wrath Trail groups.
- Consider pilot project to illustrate income generation and community support.
- Review funding opportunities to finance pilot project.
- Funding applications and fund raising.

Fifth Stage – (June 2013)

- Analyse feasibility study
- Review / revise business plan
- Community feedback

Fifth Stage – dependant on feasibility study results and resources available

- Funding applications
- Plans
- Costings
- Revenue and expenditure forecast
- Community Feedback
- Review / revise business plan

Sixth Stage - dependant on financial support and resources available

- Analyse success in funding applications
- Assess budget and realistic achievements based on funds and support
- Submit planning applications
- Assess community support
- Review / revise business plan

Based on the above, and providing grant funding has been secured, it may be necessary to appoint a project manager, to ensure the successful running of the project.

Tactics

To achieve the above, we need to engage a number of people to be part of the steering group and to utilise the skills they bring or identify and address training and development requirements. Where necessary, the assistance of specialists may have to be sought and their costs considered and met.

Strategic issues

The following are seen as threats to the success in achieving our strategic plan:

- Funding
- Costs
- Planning
- Health and safety
- Lack of community support
- Availability of key skills and staff
- Environmental issues

Core values

- Developing an area of natural beauty which has been neglected and is in disrepair
- Providing a family orientated centre for the village, which is owned by the community for the benefit of the community
- Providing long term employment and new business opportunities
- Ensuring that the history of Kinlochbervie is preserved and its importance recognised
- Promoting local businesses and places of interest.
- Encouraging visitors to spend and contribute to Kinlochbervie's economy
- The bunkhouse will provide budget accommodation for visitors, student exchange and field trips
- Providing an attraction in Kinlochbervie, a remote and vulnerable area, where tourism is an increasing source of revenue to the community

Stakeholders

- The Community
- The Community Council
- The Community Company – the Management Group
- Local schools
- Local businesses
- Local community groups including the boat club
- Potential business men / women
- Highlands and Islands Enterprise (HIE)
- Highland Council
- Local Councilors
- Harbour office – **consider the impact of the recent development of the pontoons and the agreed expansion which would provide additional berthing for visiting yachts.**
- Fishermen
- Sutherland Partnership
- Geopark

- Ward Forum
- Investors / Funders

Individuals from support agencies who have provided feedback to date:

David Knight – Business Gateway

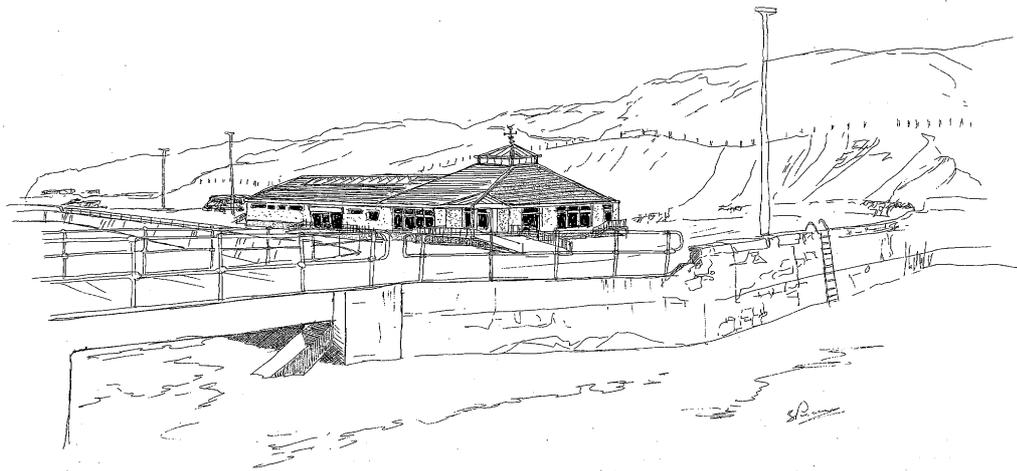
Brian Weaver – HISEZ

Andy MacKay – Ward Manager

Neil Gerrard – HIE

Charles Findlay – HIE

Liz Howard – HIE



An artist's impression of what the regenerated area could look like!

4. Marketing

SWOT and critical success factors

Strengths

- The community have expressed needs which this centre will meet – Survey July 2013.
- Services, eg water and electricity are on site
- Ample space for development
- The land has been gifted to the community

Weaknesses

- Environmental, therefore the construction and positioning of the building would have to take this into account
 - o This area is on a coastal location although SEPA has been consulted
 - o Exposed to the elements
- Community apathy as the area has been left derelict for a number of years
- Lack of signposting from the main road and in the local area
- Access routes
- Reliance on Grant funding

Opportunities

- Employment – long term and permanent
- Providing a “landmark” in Kinlochbervie, which will encourage visitors to leave the main route from Ullapool to Durness
- Business opportunities – this list is not exhaustive and will develop as we receive more feedback from the community
 - o Café management
 - o Bunkhouse management
 - o Laundry service for bunkhouse and local accommodation establishments
 - o Baggage transfer between this centre and other B&Bs / bunkhouses
 - o Tour centre
 - o Boat trips
 - o Youth café (internet access)
 - o Retail
 - o Heritage centre
 - o Information centre
 - o Exhibition Centre
 - o Geological field trips
 - o School exchange visits
 - o Conference facilities
 - o Business units – office and retail

Threats

- Lack of voluntary support
- Staffing requirements
- Gap in skills required
- Rising sea levels

Critical Success Factors

This project's success relies on obtaining funding, engaging the community and creating a centre which meets their needs and encourages visitors to stop in Kinlochbervie and contribute to its economy, while being financial viable.

Good management and marketing from the beginning and having a clear vision and plan will ensure that strengths are built on, weaknesses are addressed and overcome, opportunities are grasped and threats are considered at each stage.

Market research

Market research has been carried out by listening to the feedback from the community and asking visitors (on a one to one basis) what they believe Kinlochbervie could benefit from. This has been done by using the current Kinlochbervie website, meetings and newsletters and most

recently an intern was employed to carry out a comprehensive, independent survey, resulting in an options appraisal and needs analysis being produced.

Historically, the fisherman's mission was available for tea, coffee and snacks but it is now privately owned and has been closed for several years. There are no plans to reopen this to the public. **(Displacement is not a current issue)**

We have also attended general meetings in respect of the proposed Geopark centre and the development of the Cape Wrath Trail. Both groups are promoting natural heritage and have identified the need for budget accommodation in the area.

We plan to work in partnership with other groups and hold regular meetings with the community and providing a website with updates will ensure transparency of this major project.

Distribution channels

We currently reach the community by meetings, newsletter, village notice boards, surveys or utilising the current Kinlochbervie website.

We plan to create a dedicated website to the Loch Clash regeneration once the land is in the name of the Community Company.

We intend to use the local newspapers and newsletters to keep everyone up to date with our progress.

Improved signage to the area is also planned, before opening.

Strategic alliances

Alliances have already been made with the Community, Highland and Islands Enterprise, Social Enterprise Academy, HISEZ, First Port, SEPA, Business Gateway, Highland Council, which includes the Harbour board, the Ward Forum and local Councillors.

We are hoping to work in partnership with local groups, including the Geopark and Cape Wrath Trail.

Seeking their formal and informal advice will ensure support for this venture.

E-commerce and technology

We plan to create a dedicated email address and website to the Loch Clash regeneration which will include a facility which will allow people to donate to the development fund via PayPal, thus creating a "Friends of Kinlochbervie" membership. We will utilise social networking sites, eg Facebook.

We may consider an online enquiry / booking facility for the bunkhouse which will encourage visitors to reserve accommodation in advance and enable us to collect non-refundable deposits and improve cashflow.

Tactical promotion plan

We will advertise this facility by using:

- Highland newspapers
- Local publishings – eg Am Bratach
- Notice boards
- Website – including internet exposure within national sites eg "Undiscovered Scotland"
- Flyers distributed in neighbouring villages and in local businesses
- Signage
- Alliance with other bunkhouse accommodation

Marketing budget

There is currently no marketing budget for the initial stage but we will be able to utilise the local newspapers in the North Highlands and the proposed website. We have several noticeboards situated in Kinlochbervie which will also be used to promote our newsletter.

Regular feedback will be asked for in our newsletter and in community meetings.

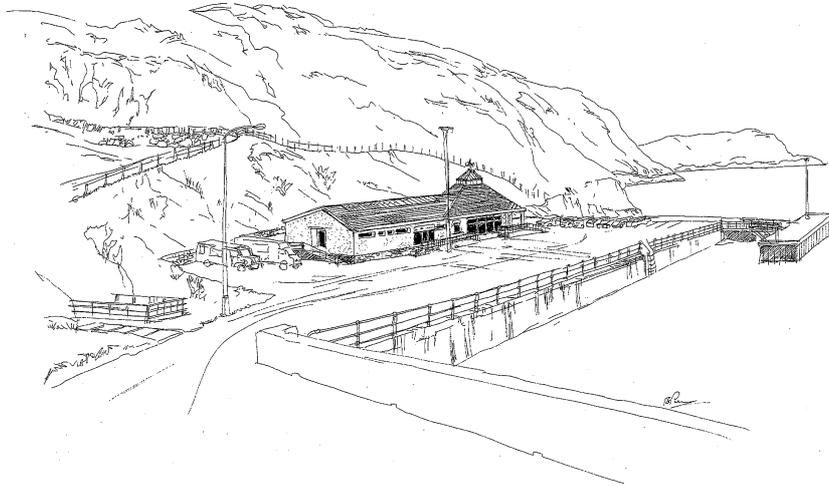
Credibility and risk reduction

We currently have individuals working in the group who have the following experience:

- Hospitality trade – both catering and accommodation
- Project Management
- Design and construction
- Staff management
- Finance management
- Retail experience

Feeding from this experience and having a clear plan and strict monitoring and evaluation procedures in place will ensure that any recognised risk is dealt with at an early stage.

Providing potential investors, funders and supporters with a summary of the skills on board, along with clear aims and objectives will instil confidence in this project and its success.



An artist's impression of what the regenerated area could look like!

5. Team and management structure

Skills, experience, training and retention

The Loch Clash steering group is currently being formed but will follow the undernoted management structure:



Once the steering group has been appointed, a skills gap analysis will take place to identify where there are weaknesses in the group and where training would address these weaknesses. There will be opportunities to develop skills within the community using organisations like Social Enterprise Academy (SEA) and HIE. Alternatively, professional advisors may need to be consulted and their cost considered.

This project, although community led, should have the attributes of a viable business enterprise and staff, including volunteers needs to be managed, motivated and valued in order to ensure their continued support and commitment.

Advisors

As previously mentioned, we have a bank of skills within our current team.

Our current legal advisor regarding the acquisition of land is Ewan Harris Solicitors. We will need to consult with them regarding their desire and ability to advise on the variety of aspects involved in the construction and management of this project, including staff contracts and our legal obligations.

AW Gray and Butler Ltd in Tain currently act as our accountant.

As the project progresses, we will need to enlist the services of various experts but this would be dependent on the skills which are offered from within the community. A skills GAP analysis would be carried out upon formation of the steering group

A formal plan of the site has been produced by a local surveyor and is currently being reviewed by the solicitors.

Management systems

The management structure as detailed above will draft policies and procedures which will include health and safety, food hygiene and staff management.

Budgets will be set and monitored on a monthly basis to identify any discrepancies or unforeseen variations in income or expenditure.

Staff management will include a regular appraisal system, which will recognise any need for training and development. A staff manual will be produced which will cover, in addition to the staff management, roles and expectations, health and safety and routine procedures which conform with food hygiene and cleanliness requirements.

The finance management will include payroll and any payments to HMRC in respect of tax and national insurance deductions / obligations and VAT if applicable – current VAT threshold is £73,000. There are several systems which can be utilised for finance management, e.g. QuickBooks, SAGE or a simple spreadsheet. This will be decided by the steering group and the treasurer once appointed.

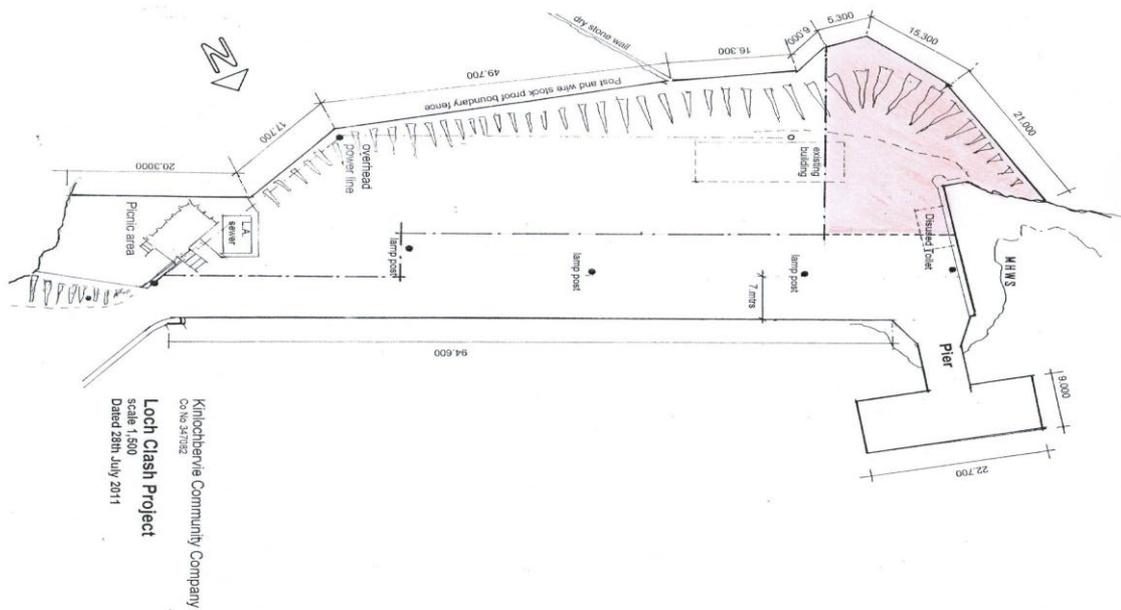
Refer to Brian Weaver of HISEZ re best structure etc.

Refer to Charles Findlay of HIE for community training and development

Refer to David Bryan from Social Enterprise Academy (SEA) for training / developing management skills.

Learn from others' experiences – e.g. Lochinver.

Map illustrating the area for development



6. Financial budgets and forecasts

The figures are forecasts based on current estimated footfall and our assessment of what the potential average sales would be to the community, tourists and bunkhouse users. Staffing costs must be restricted to this budget. This is only achievable if we have a bank of volunteers to support this.

With the figures quoted, based on opening all year round, it would not be necessary to be VAT registered. This should be taken into consideration in determining the scope of the business. Alternatively each business entity could be leased independently or run as separate businesses to address this. The current VAT threshold is £73,000. Leasing would also release the management from the burden of initial stock purchase, staff management and an element of equipment purchase required. It could also give an individual the opportunity to start up their own business, whilst ensuring that the community receives a regular monthly income. This reduces the risk of any downturn in revenue for the centre, due to adverse weather, for example.

The undernoted spreadsheet which is based on all elements of the centre being under one management, ie no lease agreements in place, illustrates potential revenue on a "blue sky thinking", conservative and pessimistic basis. These figures are estimates only and show that a profit could be forecast in respect of running costs. Set up costs would need to be met by grant funding.

Annual turnover – refer to undernoted spreadsheet for breakdown of revenue.....	
Advertising - Local businesses - annual fee £50 Based on 10 businesses advertising in the centre	500
Taking the conservative figure £415 per day	
26 weeks @ 2/3 occupancy	50,353
20 weeks @ 1/3 occupancy	19,367
ANNUAL TURNOVER	70,220
Does not require VAT Registration	
Total income	70,220
(VAT Threshold currently £73,000)	
Costs	
Stock	16,425
Utilities £1,000 per month	12,000
Staff - Manager, Catering Staff, Cleaning Staff <i>We can only stick to this budget if the staff are subsidised by volunteers</i>	25,000
Laundry	1,500
Maintenance	4,000
Contingency	1,000
Insurance	1,000
Professional Fees	1,500
Total Costs	62,425
<u>Forecast Profit</u>	<u>7,795</u>

All figures are £ sterling

Daily Source of Revenue	Avg Unit £	Optimistic forecast		Conservative forecast	1/2 of Optimistic	Pessimistic View	1/4 of Optimistic
Café (20 covers)	6	360	60 covers@ £6	180	30	90	15
Bunkhouse (12 beds)	18	216	12 @ £18	108	6	54	3
Breakfast (20 covers)	5	100	20 covers @ £5	50	10	25	5
Laundry Hire (£1 per towel or bedding)	1	24	24 @ £1	12	12	6	6
Wall Space – exhibition	20	60	3 dispays	30	2	15	1
Heritage Centre - entry fee	1	40	40 @ £1	20	20	10	10
Internet access	1	30	30 @ £1	15	15	8	8
<u>Total revenue per day</u>	<u>52</u>	<u>830</u>		<u>415</u>		<u>208</u>	