



**SHAW WHITLEY
COMMUNITY HUB**

Shaw and Whitley Community Hub
trading as

**Whitley
Stores**

Business Plan

1st June, 2021

Executive Summary

- Research undertaken locally has identified strong demand for a community shop and a new social hub
- The proposition for the shop is a community village shop that provides quality local produce and products, plus a range of convenience/top-up items at a competitive price
- Following a review of possible sites in the area, a space within the former shop and café building at 116 Top Lane has been offered by the new owners
- The total offering on Top Lane will be a bike shop, café and community store – a real sustainable village hub
- The shop will be a space in the proposed bike shop and café measuring 3.5 metres by 4.2 metres.
- The necessary set-up funding will be raised through a community share offer, with possibly some grant funding if needed
- A trading profit is projected from year one
- There is a well-resourced team in place with the necessary skills and experience to deliver the project
- The shop is projected to open for trade in the second half of 2021, subject to securing the necessary funding

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Modification Record

Version	Date	Notes
1.0	June 2021	Initial version published with Share Offer

1. The need for a community shop

In the Spring of 2020 the Whitley village shop, running predominantly as a high-end café at that point, closed its doors and the building was put up for sale. Disappointed by potentially losing the last remnants of a shop in the village, a group of residents formed the Shaw and Whitley Community Hub to look at options and viability of retaining a shop in the village using the Community Shop model.

A survey was carried out across two weeks in September 2020. 547 leaflets were delivered to every home in Shaw and Whitley to gauge the interest in retaining a shop in the village, to explore the services and produce villages would like to see and to see if there might be an appetite to volunteer in such an enterprise.

Of the 547 delivered 366 (67%) were returned. Immediately apparent from the results were some facts and figures about our village demographic and shopping habits

- 51% of the households that returned a survey have at least 1 occupant over 65.
- 24% were families with children.
- 21% took the option to return the survey online.
- 10% said they currently did their grocery shopping online.

79% of respondents rated having a village shop as Important or Very Important. 10% said they would use it daily, 38% 2–3 times a week and 25% once a week. Only 1% said they would not use it at all.

The number one service requested from the Survey was a Post Office with 98% of respondents requesting this. An associated courier parcel-drop-off point came in at 58%. 61% said they would like to see a cash machine. 51% said they would like to see a café – although from the comments, a basic and reasonably priced one.

From the products listed on the survey, 73% would like to see Greetings Cards sold. Village shop basics such as Bread, Milk and Newspapers all figured highly at >65% each. 61% said they would like to see products from local producers. After these front runners, all the usual convenience staples were well represented in the results. As with the café, reasonable pricing was listed as a key request.

The survey also asked for if people might volunteer. 113 people ticked this option. 34 people offered to help with fundraising. 89 offered to be involved in running the shop. 33 people offered assistance with professional advice and services to get up and running. These offers included Carpentry, Electrical, Accountancy, Graphic Design, IT and Plastering.

When it came to possibly making a financial contribution, 128 people ticked at least one option. 58 people would consider a donation, 98 would consider buying a share and 13 would consider making a loan.

2. Market and Competition

Market

There are approximately 1000 people living in the villages of Shaw and Whitley. A radius of 1.5 miles from the proposed shop location takes in Atworth, Beanacre, Gastard, Norrington Common and the northern outskirts of Melksham. Within this area lie just 1 convenience store (at the Bear Garage, in Atworth), and the farm shop at Lowden Garden Centre. The nearest convenience store is on the outskirts of Melksham.

Shaw and Whitley are, in general, both affluent villages, with a population that consists largely of young families and the over 50s. Just under half fall into the 'Grey Perspective' category of pensioners in comfortable retirement and most of the remainder are families in comfortable homes and focussed on the local community. There are pockets of social housing within Whitley and any commercial enterprise needs a wide offering to appeal to the varied local demographic.

The thriving Shaw Primary School and three well-attended pre-school settings within the villages draw families from outside the immediate area into Whitley on a regular basis.

Competition

Nearby Melksham, 2 miles away, is well served by supermarkets with an Asda, Sainsburys, Waitrose, Aldi and Lidl. All are easily accessible by car and served by the infrequent bus service through the villages of Shaw and Whitley.

Lowden Farm Shop lies on the A365 between Shaw and Atworth, but within the Shaw village boundary. The walk there from the residential areas of Shaw is via a narrow pavement alongside the busy road. From Whitley, it's a hike across the fields or 1 mile drive. Lowden farm shop sells good quality farm produce, groceries and gifts and is part of the Lowden Garden Centre and Restaurant operation.

There is a Post Office counter in Atworth at the Bear Garage convenience store, again a car/infrequent bus ride away.

There is a proposal for a shop to be part of any potential residential development at Middle Farm, on Corsham Road. This development is still in the pre-planning stage and, we and the landowners estimate, at least three years away assuming all permissions are granted.

3. Work undertaken to date.

Shaw and Whitley Community Hub Steering Group was formed in Spring 2020 on the closure of the current shop to address the following questions:

- Would a Community Shop be viable in Shaw and Whitley?
- Would there be a way to secure the existing shop site, currently for sale?
- Is there a suitable alternative site?
- Can the necessary funding be secured?

The first question has been answered in section 1.

With the existing shop premises and upstairs flat offered for sale for £500,000, we looked at the viability of raising the money to buy the building outright and rent out the flat. This would have been a significant investment, enormous fundraising exercise and fraught with risks. We quickly homed in on establishing ourselves as the “Tenant of Choice” for any investor/purchaser and set about a series of marketing and communication initiatives to make sure this message was out in the open and clearly communicated to the estate agent marketing the property.

Not knowing who would purchase the building and whether a community store would feature in their plans, we started looking at alternative sites in the village. 12 sites were assessed for viability including the Reading Rooms, Shaw Village Hall and Church Farm. New build options assessed included sites at the Golf Club and Whitley Farm on First Lane.

The shop sold in January 2021 to Barbastelle Ltd with contracts exchanged in May. The new owners will be running a bike shop and repair service, bike building workshop and café. They are keen on community engagement and approached Shaw and Whitley Community Hub with the offer of making space available to run a community store in the premises. The combined proposal is a combination of bike shop, café and community store.

In terms of funding, a lot of the traditional grant routes for initiatives such as this were closed due to focussing on the COVID response at the time. The decision was taken to raise the majority of funds from a share offer with some local assistance from grants to cover some setup costs.

A new stand-alone legal entity has been set up for the shop, in the form of a Community Benefit Society called Shaw and Whitley Community Hub Limited. Plunkett Foundation research shows that this is the model used for the majority of community shops.

We have worked hard to get support from Melksham Without Parish Council and secured some start up monies in late 2020. We have met with numerous other community shops to learn of their journeys.

Throughout, the project has been supported by the independent Plunkett Foundation, who provide advice and guidance to community enterprise projects, and has been informally

mentored by members of the management teams at other successful community shops in the local area and beyond.

We have done as much community engagement as we could in the times of a pandemic. We have utilised leaflet drops, our village “Connect” magazine, Zoom meetings, articles in Melksham News, our website and Facebook page to keep members of the community engaged and informed throughout.

4. The proposed shop

Premises

The shop will occupy 15sq.m of the commercial premises at 116 Top Lane and sit alongside bike shop, workshop and café. The space will be rented from the premises owner, Barbastelle Ltd

Products and services to be offered.

In line with the shop's proposition, and in common with most community shops, Whitley Stores will stock a combination of convenience/top-up items and a range of quality products and produce from local farmers and suppliers; our research found this to be a top feature that would encourage people to use the shop.

Our survey also highlighted the desire for a Post Office and we are exploring options as to what we can offer in the limited space we have available. We have contacted the Post Office themselves for their advice and also a provider who runs a mobile Post Office in the area who may be able to add a regular Whitley stop to their round. We will be carrying out further community engagement to gain greater clarity around which Post Office services customers most want. At a minimum, we anticipate selling stamps, and could offer a letter weighing and pricing service. We are also exploring options for providing cash, parcel services and a top-up paypoint facility.

It is envisaged that the shop will attract café customers and vice versa, creating an exceptional social hub for the village that will benefit customers and volunteers alike.

Target market and marketing

The main target market will be the c.1000 residents living in the market area of Shaw and Whitley.

In addition, it may reasonably be expected that 'out-of-area' visitors to the bike shop and café may also use the store.

Marketing has been, and will continue to be, undertaken by a combination of activities and media. To date, marketing has been achieved across the target market area via:

- face-to-face meetings with established local groups plus shop volunteer forums
- periodic briefings in the Connect magazine and Melksham News
- posters at key sites
- door-to-door mailings
- periodic emailings
- social media

Going forward, we envisage continuing to utilise most of the above media. Social media, especially, will be important in terms of dynamic messaging to target audiences (for

example, to announce when an in-demand new product comes into stock). It will also be important to register the shop's proposition with cycling clubs and walking groups.

Valuable 'marketing capital' will also be generated through feedback mechanisms – for example, a comments book in the shop, and discussions held periodically both informally in the community and with established local groups.

Branding

The Steering Group undertook an exercise to develop visual identity for the shop communications. From this a design style template was developed and has been used through all marketing and communications. This style will be continued through further communications and in the shop itself. The shop will be named **WHITLEY STORES**

Opening Hours

The shop will open 7 days a week, on the same schedule as the other businesses within the premises. Opening hours will be: Monday–Saturday, 9am–5pm; Sunday, 10am–4pm.

Staffing

In common with other shops operating under the Community Shop model, Whitley Stores will be predominantly staffed by volunteers from the community, working shifts of 2 or 2½ hours, depending on the number of volunteers recruited and the number of shifts they are willing to work each week.

The team of volunteers in the shop will be supported by the café manager, who will be contracted to supply 1 hour a day as required to assist with ad hoc queries, shop management tasks, cashing up and other tasks as necessary.

Behind the scenes, further volunteers will support tasks such as managing the volunteer rota, ordering stock, managing the customer order process, repairs, maintenance, IT, marketing etc.

The Shaw and Whitley Community Hub Ltd Management Committee, appointed by vote at an Annual General Meeting, will oversee all activities and the running of the company.

5. Profitability and ‘community benefit’ objectives

The shop will carry on business for the benefit of the community, and it will be the intention to achieve a trading profit. Profits will initially be used to maintain prudent reserves and to maintain, improve and extend the shop’s facilities and services. Any excess profits will be used to support local community initiatives. We intend to involve members in deciding how excess profits will be used to support local community initiatives.

A Community Benefit Society does not pay a conventional financial dividend on its shares. Instead, it represents an opportunity to make a financial investment in a community enterprise with the expectation of receiving a ‘social dividend’. This ‘social dividend’ will be perceived differently by different people, depending on how they value personally the diverse benefits and opportunities that the shop will deliver – for example:

- enjoying easy and convenient access to a comprehensive range of local products and produce, and ‘convenience’/top-up items
- supporting those with reduced mobility via a telephone order and delivery service and easy access and proximity to a local shop
- helping to increase social integration and reduce isolation and social exclusion through the inter-generational volunteering opportunity, and the ‘community hub’/meeting place focus
- creating CV-enhancing training and development opportunities in the shop for young people, ‘work returners’ and those who are disadvantaged/have disabilities
- helping to sustain our rural community, by contributing to a new local enterprise, with increased spend within the community and potentially the creation of new local jobs
- supporting the rural economy by creating a new retail outlet for local farmers and suppliers of local produce and products
- achieving a positive environmental impact through fewer/shorter car journeys (ie reduced ‘food miles’)

Success measures

The project’s success will be measured in four ways:

- in commercial terms, by achieving turnover and margin targets on an ongoing basis
- in social/community terms, by bringing our community together on an enduring basis and improving quality of life through:
 - evident impact in engaging and retaining a group of volunteers of all ages/backgrounds, delivering the ‘volunteer hours’ required (also to include positive feedback regarding ‘CV-enhancement’)
 - reported impact in reducing social isolation across all ages and backgrounds through the ‘community meeting place’ focus
 - take-up of the telephone order and delivery service for people with reduced mobility

- in environmental terms, via observed experience and feedback from shop users in terms of transport used (we may collect data on this).

Sustainability of the enterprise

Project sustainability will be ensured through the effective delivery of the proposition articulated in section 1 – which will be achieved by:

- providing the products, services and facilities that are evidently most valued by the community
- attracting enthusiastic and committed volunteer staff by creating ‘a fun and rewarding workplace’
- maintaining a close focus on the management of costs.

We will continuously engage with the community through multiple media to secure ongoing feedback and comment, from both individuals and groups, on the appeal and value of the shop, and will review, modify and add to its range of products, services and facilities as required.

6. Financial data

Start-up costs and funding

We project the total set-up cost for the shop at £30,840. This includes site fitting-out, equipment, 12 months' rent to be held in reserve, and working capital. The total cost has been carefully identified based on both the experience of other community shops and item-by-item pricing for this project.

We aim to secure this by selling shares (at £1 each) to members of the community. We have also applied for Area Board funding towards the initial setup capital costs.

Community share sale

Community shares are a unique form of investment used by community groups to involve people in community projects. Anyone who purchases the minimum of £10 of shares will become a member of the Community Benefit Society, Shaw and Whitley Community Hub Ltd. Members will have a say in the running of the Community Benefit Society, its management and ultimately on how any profits are spent. We have deliberately set the minimum shareholding at a low level to be as inclusive as possible in our membership. More details about the share offer are set out in a separate Share Prospectus.

We believe this is a reasonable target, having regard to the level of interest and support expressed for this initiative to date and the experience of many other community shop projects in villages of varying sizes: in similarly-sized Bretforton in Worcestershire (1100 residents), £37,000 was raised through this approach in 2014, examples from further afield include Grampound in Cornwall (700 residents, £20,000 raised) and Oldbury-on-Severn near Bristol (850 residents, £15,000 raised).

Sales and margin forecasts

We have projected revenues for the shop in each of the first three years, based on shops in similar size villages and factoring in the relatively small size of our shop.

This gives a first-year turnover of £56,000. Similar sized villages support Turnover in excess of £100,000. Hudswell village in Yorkshire is a shop of 12 sq.m. (to our 15 sq.m.) in a village pub with 1/5th of our population and limited opening hours that has Turnover of £27,000. We believe the £56,000 is a good first year forecast and represents 20 customers a day spending £7.50 – the average convenience store spend.

We have projected the Turnover to grow by 10% year on year. Other shops have experienced much more than this but one limiting factor in our growth is our modest size.

Gross profit has been estimated at £12,320 in the first year (a gross margin of 22%), rising to £14,907 in Year 3. Community shops typically generate an average gross margin of between 20 and 24%, with individual items attracting gross margin of anything between 10% and 37% typically.

Projected Expenditure

Our tenancy agreement on the space includes all the following services at a rate of £450 per calendar month:

- Electricity and heating
- WiFi
- Fire officer and First aider on site
- Health & Safety and Fire Regulations policies and compliance
- Infrastructure (buildings insurance, WC, building security)
- Cleaning
- We have allowed for a rent increase to £500pcm from Year 2.

We will require some shop manager time to oversee and complement the work of our volunteer staff. To achieve this, we will be purchasing one hour a day of the coffee shop manager's time, in exchange for which he will be a point of contact for shop volunteers in the event of any untoward occurrences and will assist as required with the running of the shop and with cashing up at the end of the day. The cost to Shaw and Whitley Community Hub of this manager support will be £4,380 p.a.

Our projections allow for a modest salary increase in subsequent years and a 10% allowance on all other costs.

Profit

In the first year, we are projecting a small surplus of £817 rising to just over £2,000 in year 3

	Year 1	Year 2	Year 3
Shop turnover	£56,000	£61,600	£67,760
Cost of sales	-£43,680	-£48,048	-£52,853
Gross Profit (22%)	£12,320	£13,552	£14,907
Salary Costs	-£4,380	-£4,563	-£4,745
Rent	-£5,400	-£6,000	-£6,000
Insurance	-£400	-£440	-£484
Repairs, Service	-£500	-£550	-£605
Legal, Professional, Admin	-£500	-£550	-£605
Credit Card Costs	-£323	-£356	-£391
Surplus	£817	£1,094	£2,077

7. Risks

The table below identifies major potential risks to the project and how they would be mitigated.

Risks	How each risk can be addressed
Failure to finalise terms of lease with Barbastelle Ltd	A detailed lease is being drafted for review. Both parties are incredibly keen to work together as each business will complement the other
Shortfall in the level of set-up funding needed	Stronger promotion of the shop proposition to encourage fundraising Extension of fundraising period Consider other fundraising approaches
Difficulty in recruiting/ agreeing terms with suppliers	Initial indications of interest from suppliers are strong Consider other suppliers (there are many)
Failure to achieve projected turnover/margin	Continually review stock lines to ensure appeal to customers (and attractive pricing) Strong promotion of the shop's offerings Rigorous control of costs Build a strong mindset of community ownership and ultimately a "Use it or lose it" message
Shortfall in volunteers to work in the shop	Increase recruitment communication
Shortfall in Steering Group resource	Some complementary skills in Working Group Augment SG shortfalls by reaching out to the community Seek opportunities to appoint new members to the steering group and succession planning
Parking issues undermining community goodwill	We firmly believe the parking issues of the former eatery will be much alleviated by the current offering of a bike shop (with people encouraged to cycle) and a village convenience store where customers are more "In and Out" and hopefully walk there rather than driving from afar and having a long lunch. Nevertheless, we will encourage driving customers to park with consideration for our neighbours and other road users
New shop proposed in Middle Farm development in Corsham Rd	If this development goes ahead, we believe by the time it does we will be suitably established and offer a distinct "local and community" based offering that will allow both entities to exist and prosper

8. Timetable to opening

Below is a timetable for key milestones in the project

- June 2021– Share Offer open
- July 2021 – Fitting Out
- August 2021 – Shop Open

The above timetable assumes that the single share offer will achieve the desired funding

9. The project team

This project is being led by the Steering Group of Shaw and Whitley Community Hub Limited, supported by the Shaw and Whitley WhatsApp Working Group. The groups meet regularly to assign tasks and review progress on the project.

The five-strong Steering Group has a broad skill set embracing both commercial and management experience. Other key skills are provided by members of the Working Group.

The Steering Group comprises:



Nathan Hall: Chair

Nathan has lived in the Shaw & Whitley community with his wife Claire since 2004 and has seen his now teenage sons, Evan and Finn grow up here. He has previously been a Governor at Shaw Primary School, chaired the Board that established the Academy Trust of Melksham and has provided mentoring support to young people. He has worked in NHS Management since 1997, and currently leads national improvement programmes for NHS England. He has also recently been involved in planning the recovery of NHS services through the COVID-19 pandemic. Nathan was born and brought up in the South Wales valleys, where he developed his interests in sport, music and the outdoors.



Charlotte Yates: Vice Chair

Charlotte has lived in the village for 10 years with her husband and 2 daughters. Both daughters attended Daisychain nursery and then Shaw school where Charlotte was treasurer of the school PTA for a number of years. Charlotte enjoys living in Whitley and spends time appreciating her local area while on the school run or walking her dog. Charlotte is a keen supporter of the community attending local events and frequenting the Pear Tree and she feels strongly that a village shop should be at the heart of a village. Charlotte works for a local Pharmaceutical company in Chippenham where she leads the project management office.



Dominic Szanto: Treasurer

Dominic has lived in Shaw and Whitley for 13 years with his wife, a primary teacher in Wiltshire, and daughter. He works for an international climate change consultancy, managing investments in renewable energy projects. In addition, He is currently Chair of Governors at Shaw School and a Trustee of Wiltshire Citizens Advice. Away from work, Dom's interests are politics, football, and travelling. He describes himself as a keen musician whose enthusiasm is unencumbered by talent.



Alison Candlin: Secretary

The vibrancy of our village is extremely important to Alison. She'd been a city girl before moving to Whitley in 2008 to be close to family in Corsham, but has discovered a passion for the surrounding open spaces and for being part of a tight-knit and supportive community. Alison works from home as a freelance book editor and writer, so spends more or less all of her time in

the village or walking the family spaniel around it. She lives here with her three boys and husband, John. She was Chair of Shaw School PTA for three years, does her utmost to support local businesses and feels passionately that a good village shop is an essential part of the tapestry of rural life.

**John Lister**

Originally from Yorkshire, John spent many years living overseas and travelling all over the world with his work in construction and project management software before settling in Whitley, just 10 miles from his University town of Bath, 12 years ago. He now manages a software consultancy in Leeds from the office at the bottom of his garden. John is Group Scout Leader at 1st Broughton Gifford and Holt Scouts. In his spare time, John can usually be found in his woodworking shop or knocking up a tree house. He's the person all his friends turn to for DIY advice (and tool hire).