

# Business Plan

54 Ayr Road (the New Douglas Arms)  
A Community Bistro and Accommodation Provider  
August 2022



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# 1. Introduction and Background

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## 1.1 Background

The Douglas Arms was a historic village pub and hotel at the heart of Douglas, South Lanarkshire. It was a key part of village life and a vital amenity but is now in a state of increasing disrepair internally, though the fabric of the building was secured with heritage funding in recent years. The business was on the market for some time before being bought at auction and it is known that the owner is willing to sell. With the loss of other pubs, and other amenities from the village, Douglas has already suffered from the disappearance of centres of community life.

In response to demand from the community, the Douglas Community Development Company intends to purchase the Douglas Arms and run it as a community-led social enterprise.

The asset has the potential to trigger social and economic growth for the Douglas community and the feasibility study showed significant demand. This detailed business plan will determine the scale and nature of what can be achieved as well as the potential risks.

## 1.2 The Organisation

Douglas Community Development Company (DCDC) is a relatively new organisation that has been established (registered as a SCIO in 2020) to initiate and lead community-based initiatives which are:

- strategic (contributing positively - acting locally but contributing regionally, nationally and globally)
- sustainable (economically, environmentally and socially responsible)
- informed (by extensive, on-going community engagement efforts)

DCDC also aims to demonstrate effective community leadership, facilitating positive and constructive dialogue and building effective networks where community engagement activity evidences this as a priority.

In 2016 Douglas St. Bride's Community Group (St. Bride's Centre) led a consortium of local organisations and groups in creating a Community Action Plan for the villages of Coalburn, Douglas and Glespin. The findings from this report form an important strategic context for the work of DCDC.

The governance and management of the Douglas Arms will be dealt with at section 4.1 but it is likely that a separate legal entity will be developed to take the lead on project.

## 1.3 About the Community

Although the Douglas Arms project will serve both locals and visitors, the community of Douglas will be the main beneficiary, will have ultimate control over the venture (through membership) and will have the greatest stake in its success.

The village goes back to the 12<sup>th</sup> Century and has currently a largely 18<sup>th</sup> century centre which is dominated by Old St Bride's Church. The Douglas Townscape Heritage Initiative restored the historic buildings within the heart of the village including the Douglas Arms.

Douglas started life as a mainly agricultural village, along with a little weaving. With the discovery of a major coal seam in the Douglas valley in the latter part of the 19<sup>th</sup> century came an influx of workers, new housing and schools. Many of the mines worked well into the 1940s and miners travelled to pits long after that till the industry closed.

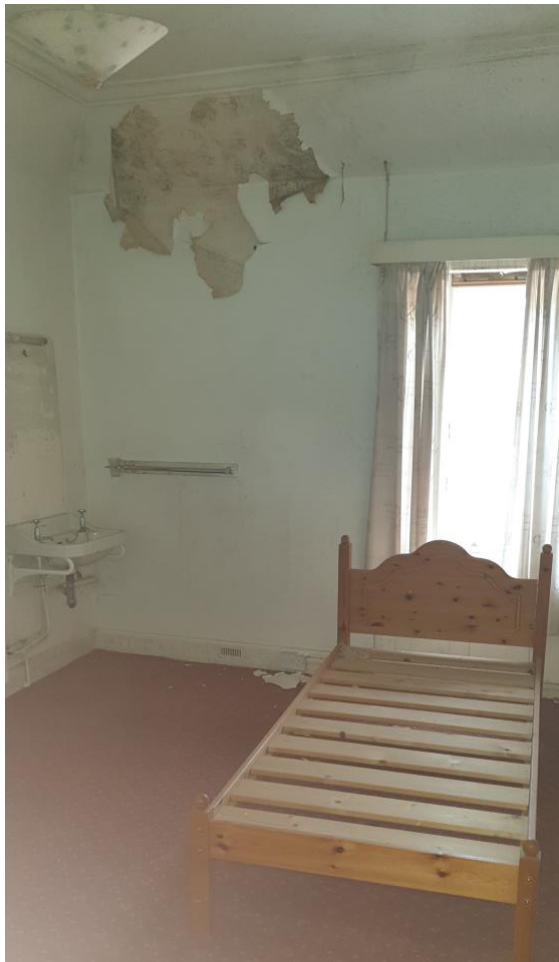
The population is around 1600.

## 1.4 About the Douglas Arms

The building is a B-listed, three story property extending to circa 5,800 sq. ft. located in a prominent location in the historic village of Douglas. The building includes a substantial outbuilding and dedicated car park, as well as a restaurant, public bar area, catering kitchen, managers flat and various bedroom, a derelict function hall and toilet facilities. There are six ensuite rooms on the first floor, but the condition of the building makes it difficult to determine the precise number. The function room on the first floor is likely to be surplus to requirements so there may be room for more bedrooms upstairs, perhaps 12 but we will assume 8 are easily achievable.

The property has been vacant for 3-4 years and the accommodation on the ground floor has been condemned for at least twenty years.





## 1.5 How this business plan was developed

Engaging with the local community, gathering ideas and feeding back to people who have contributed has been key to each stage of the development of this Business Plan:



Due to the COVID pandemic and subsequent restrictions, research and engagement for this project has been undertaken remotely. In order to give an overview of the methods used to prepare this business plan, the outline below includes work undertaken by Community Enterprise, but significant support was provided by

Douglas Community Development Company themselves.

Stage	Description
Community Questionnaire	In total, 153 people responded to the community survey.
Stakeholder Interviews	One-to-one interviews were held with nine key partners and stakeholders.
Virtual Open Meetings	A virtual community open meeting was held to discuss and debate the hotel project particularly in the light of the potential sale and loss to the community.
Demographic and Policy Analysis	Study of key demographic trends in the local area using Community Insight, a software package that collects data from over 30 databases and a range of other sources.  Analysis of key policies and priorities, nationally and regionally
Market Research and Competitive Analysis	Desk-based research into the local and visitor market. Mapping of local provision in terms of accommodation, food and drink and community space. Research into the potential for competition and/or partnership based on one-to-one interviews.
Appraisal of options and research report	This report prepared to lay out findings of research, options for services and management, prior to final business plan.  The DCDC board considered the report in detail and discussed it at a facilitated meeting.  Following feedback, a final plan was agreed with a preferred model that was the foundation of this business plan
Business planning	This business plan was put together to show how operating the Douglas Arms commercially would work and be sustained.

## 2. Summary of Research

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### 2.1 Evidence of Need from the Feasibility Study

#### Assets

- The majority of residents who took the community survey (67%) rated Douglas as either an excellent or good place to live. Positive comments highlighted the beauty of the countryside and landscape.
- Douglas is a historic village with a range of historical buildings including castle remains, churches and the oldest working clock in Scotland. Local people are proud of the area's heritage, and it attracts visitors to the village.
- The village's rural landscape, accessibility from East to West due to its close proximity to the M74 makes it a popular destination with a range of outdoor enthusiasts including walkers and mountain bikers.
- Pre COVID the Lanarkshire tourism market was making significant progress, the day trip market and visitor spend was growing. Overnight stays from the rest of Scotland and the UK were highlighted as a key growth market.
- Local people and stakeholders commented on the close knit nature of the community in Douglas. There is a culture of enthusiasm and community participation.

#### Challenges

- Douglas is statistically an area of deprivation, with the majority of people in the village living in the 30% most deprived areas in Scotland. Particular challenges include employment, income and education.
- There are lower levels of self-employment in Douglas than the national average, despite the general trend towards higher levels of self-employment in rural areas. The declassification of the high street to a residential street and change of shop units into housing was highlighted by one stakeholder.
- Douglas has a declining population (20% decrease in population between 2001 and 2019) despite high levels of affordable housing in the area. Lack of employment and education opportunities has led to an outmigration of young people who leave the village to go on to further education or find work.
- The decline is partly due to the loss of housing in the village which is slowly being addressed with new housing developments.
- Douglas scored relatively highly as a place to live in the community survey but percentages rating the village as an 'excellent' or 'good' place to work were low. 51% of respondents rated Douglas as a 'poor' or 'very poor' place to work.
- There was a concern about the loss of places to meet family and friends for an evening meal. A lack of a central 'focal point' in the village was also identified by stakeholders and local community members.
- There are transport infrastructure problems which limit the ability of people to access work if they don't have their own car. Levels of unemployment are higher in Douglas than the national average, across all age groups.
- Disability is more prevalent in working age people living in Douglas than the regional and national average. 13.7% of working age people living in the area claim PIP (Personal Independence Payments) compared with the South Lanarkshire average of 9.1% and the Scottish average of 8%.

- Learning is a key issue. A significantly higher number of people living in Douglas have no qualifications (41.6%) when compared with the national average of 26.8%. 13.1% of people living in Douglas have a degree level qualification (Scotland 26.1%)

### **Support for the Project**

- 86% of respondents supported the community taking on the former Douglas Arms building.
- Over 80% of respondents felt that taking the building into community ownership will strengthen the community and bring people together, enhance the economic resilience and get people more involved in their community.
- The majority of survey respondents, stakeholders and local business owners were positive about using the former Douglas Arms building as a space for a small restaurant. There appears to be strong demand for an affordable, family friendly restaurant serving evening meals. It was felt by many that this would benefit both locals and improve facilities for visitors.
- However it is also worth noting that serving alcohol may cross over with the two local pubs in the village, so it will be important to develop a unique offering at the former Douglas Arms building that does not compete directly with these local businesses.
- The majority of survey respondents felt that the creation of visitor accommodation in the former Douglas Arms building would benefit the village. There are very few places for visitors to stay in the village and the few Air BnB's are booked well in advance. However, the consensus amongst stakeholders is that while there is a need for additional visitor accommodation the old hotel model is unlikely to be sustainable in Douglas due to the seasonality of the tourist market. Most stakeholders suggested that visitor accommodation needs to be a part of a broader mix of income sources.
- A popular suggestion for use of the building is a tourist hub providing information for visitors on places to see in Douglas and the surrounding area.
- The idea of creating workspace in the former Douglas Arms was not generally viewed as the best use of the building. While there is a need to stimulate employment and local businesses in the village, it was highlighted by several stakeholders and community members that there are several empty units in the village and workspace at the St Brides Centre which is under-used. An alternative suggestion was use of the outbuildings as affordable lets/business units for people looking to start-up their own businesses.
- Affordable housing was not seen as a priority as the vast majority of housing in Douglas is already in the more affordable council tax bands and the population as whole is declining.

### **Visitor Potential and Commercial Demand**

- Scottish tourism and hospitality trends focus on creating 'joined up' experiences connected by geography or a theme (in the case of Douglas this could be heritage). In order to offer joined up experiences to visitors DCDC will need to work closely with other groups and businesses in the village to fill in gaps in the current visitor experience.
- South Lanarkshire contains an extensive range of natural and historic environmental sites and features which appeal to visitors. Pre-COVID the day trip visitor market and visitor spend was growing in the area and overnight stays from the rest of Scotland and the UK have been identified as key growth markets.
- The most common theme in survey comments and in stakeholder interviews, was a lack of places to stay and eat, with the closure of several businesses over the years. Lack of hospitality options was also seen as an issue for the local economy, hampering tourism.



- In November 2020, a piece of research indicated that 72% of UK pubs and restaurants fear they will become financially unviable and forced to close next year as a result of damaging Covid-19 restrictions
- Stakeholders indicated the commercial potential of tapping into the outdoor activity market. There is a potential development of an adventure tourism site close to Douglas. There is an opportunity to play to that, e.g. offering secure bike storage and places to wash equipment.
- There is demand for the building to be a tourist information hub, at least in part, as this is something that is missing from the existing tourist offering in Douglas. DCDC has an opportunity to adapt the building to fit strong tourism strategies, particularly post COVID when there may be stimulus to the industry.

### **Competitive Analysis**

- The only other local pub operates as a bar which we will not replicate. Rather the Douglas Arms should have a food offering and accommodation.
- There are a range of function and meeting spaces in the village including the St Bride's Centre so there is no need to offer functions and events from the space.

### **Financial Viability**

- There are 6 ensuite rooms upstairs though this accommodation can be used in different ways.
- Scottish based visitors have increased significantly (+55%) and rest of the UK up by 4%. Overnight stays from domestic visitors in this area is up 23% and spend is up 28%. This is an encouraging statistic showing growth in the domestic market which covid will only increase.
- Though there are inherent risks, it is clear that there is a potentially viable model for 54 Ayr Road

### **Fundability**

- It is clear that, with strong applications, this is a very strong fit with the funding landscape particularly because of local options as well as the sources that all projects can apply to.

### **Legal and governance**

- The legal structure is sound, though a membership clause will need to be tweaked to fit with SLF requirements
- The current board has highly skilled individuals with a good mix of community and business knowledge.

## **2.2 Competition and displacement**

A competitive analysis was undertaken as part of feasibility research. Independent consultants from Community Enterprise carried out one-to-one interviews with the local community spaces,

The other accommodation businesses reported that they would benefit significantly from having a popular, high-quality village pub with meals, which would make the village more attractive to visitors who may otherwise choose a different destination. None of these businesses saw any potential negative impact from improving the accommodation at the Douglas Arms.

There are a range of other services and facilities in Douglas, as the project at 54 Ayr Road is developed it will be important that it does not displace existing community facilities or other local businesses in the village. The two local businesses that are likely to be impacted in some way by

the proposed activity at the former Douglas Arms building are the Cross Keys Inn and Countryside Inn, although it should be noted that neither of these establishments serve bar meals. The Douglas Arms will not be marketed as a pub/bar and does not expect those who only want a drink to come to this facility. Rather it will be a family orientated place which serves meals and has a license. It will be important to continue consulting with these businesses as the project develops. However, the majority of local business owners were very supportive of the re-development of the Douglas Arms building and felt it would have a positive impact on their businesses.

The St Brides Centre fed back in the consultation and indicated that they are under some pressure. This project will not replicate an events space and will drive any wedding and events business to the St Brides Centre and other facilities locally.

Below is a list of local community facilities and businesses, all were given the opportunity to comment during the community consultation.



1. **St Brides Centre**; a community owned facility owned and managed by Douglas St Brides Community Group. As well as offering small, medium and large spaces to hire, it also has a small gym and a small café serving refreshments and light lunches. There is also workspace available to hire.
2. **Cross Keys Inn** (local pub)
3. **The Countryside Inn** (local pub)
4. **Douglas Bakery**
5. **Brown W** (butchers)

6. *Crossburn Service Station*
7. *Post Office*
8. *Douglas Licensed Grocers*
9. *Douglas Deli*
10. *Townhead Garage*
11. *M Farren Ltd* (pharmacy)

To follow up on numerous comments made throughout the community consultation about the lack of visitor accommodation in Douglas, an online search found that there are no traditional BnB's or hotels in Douglas. There is one self-catering Air BnB in the centre of Douglas, split into two apartments that can be rented separately or together. However this accommodation is fully booked until late October 2021. There are also three Air BnB's/holiday rentals managed by Douglas Estates; Elm Cottage (4 guests), Beech Cottage (6 guests) and Oak Cottage (6 guests). All of these holiday lets are booked up until September. Douglas and Angus Estates have also commented during the stakeholder consultation that they are very supportive of the development of further accommodation in Douglas. The nearest hotels and BnB's are in the town of Lanark which is situated 6 miles away from Douglas.

## 3. What We Will Do

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### 3.1 Services

#### Bistro

High quality, local food and drink remains central and was the priority evidenced during the research. We will re-invent the Douglas Arms as a comfortable, family-friendly venue that serves food and drink from breakfast to dinner; offering tea, coffee, soft drinks and snacks, as well as alcohol (mostly to accompany meals and for residents), catering to local people, visitors to the village and passing trade. But it will be focussed round food and hospitality and will not look like a traditional pub where people go only to drink.

The largest demand was for an evening bistro so this will be piloted first before opening for lunch and breakfast.

The intention is to open seven day a week but market testing in the early period will determine if this is financially viable or not.

A quality chef will be secured and the key draw will be a small menu of high quality food prepared with as many local ingredients as possible. We will make arrangements with a local and a social enterprise supply chain where possible. For example Clydesdale Community Initiatives may be able to supply fruit and jams. A new social enterprise food initiative is being developed led by Healthy Valleys which may be able to get involved. There is fruit grown in the Clyde Valley There are numerous potential suppliers of food and drink, some of which can be found on the local food map<sup>1</sup>.

#### Accommodation

Market research suggests that there is a healthy demand for accommodation in the area, and catering to this will help to support sustainability of the Douglas Arms overall.

The New Douglas Arms would be unique in offering affordable rooms with the option of evening meals (and potentially packed lunches), which also makes it attractive to people visiting the area for work. In the long term, building in more en-suite rooms will help to grow income from accommodation.

The view is that this will be developed as a boutique self-catering hostel, with a higher level of quality than a mainstream hostel, but more accessible than a backpackers hostel. This will welcome travellers who are happy to be largely self-sufficient but who may use the food offering on occasion.

Though we plan to have an on-site manager with a relief manager, we expect visitors to book on line and access the accommodation using unique key pad entry system to reduce the need for staffing on site.

There are currently 6 rooms with a view to growing this to 8 rooms and potentially more if demand is evidenced.

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<sup>1</sup> <https://www.nourishscotland.org/resources/local-food-map/>

## Events

Medium to large events will be kept to a minimum due to competition with local providers such as the St Brides hall which we plan to work in collaboration with.

The redesigned public areas will be used to host some small social gatherings, intimate events and acoustic performances. These will be things that complement the bistro such as open mic nights, quizzes, games nights, gourmet nights and tastings, but not larger events such as parties and funerals and the function suite upstairs will be re-designed.

## Special Initiatives

At traditionally quiet times, and once the business is bedded in, we will arrange initiatives such as dementia lunches, youth pizza nights etc.

## Training and Learning

The bistro and accommodation will be set up first and, once established, it will become an opportunity for learning and training.

We see potential to offer training for young people at the Douglas Arms, which would offer a way to gain basic qualifications and experience in catering and hospitality, and would prepare trainees to be able to access work at other hotels and tourism-focused businesses in the area.

This could be vocational training through schemes such as the Kickstart scheme, the Youth Guarantee Scheme of Community Jobs Scotland. We will utilise existing mechanisms to offer the Douglas Arms as an outlet for local employability and learning. We may use Modern Apprenticeships too when the business had bedded in.

A link to South Lanarkshire College's catering department will be explored at that time.

## 3.2 Vision, Mission and Values

**Vision :** Douglas will be a vibrant and viable place to live, bring up a family and grow old.

**Mission :** To operate the best bistro with the most attractive accommodation in the South West of Scotland

### Values

1. Exceeding Expectations – Constantly improving our customer services
2. A home for locals – creating a place where local people want to eat, to gather and to learn
3. A welcome to strangers – extending visitors and tourists a hand of welcome where they can meet local people and discover the community and wider rural area.
4. Social impact – Re-investing 100% of our profit in the business and in community benefit and selling our business and a social enterprise
5. Something for everyone – though focussed on being a bistro with accommodation we want everyone in Douglas, of all ages and abilities, to feel this is theirs and they have a stake in it.

### **3.3 Changes to the Building and Improved Facilities**

The building is a B-listed, three story property extending to circa 5,800 sq. ft. located in a prominent location in the historic village of Douglas.

#### **Bar/Restaurant Area**

This will remain where it is and be improved and upgraded by a professional hospitality designer.

The aim is to accommodate up to 30 covers and room in the bar for a small number of individuals and those waiting for tables.

#### **Catering Kitchen**

This will require a complete up grade with modern equipment to operate the kitchen safely and efficiently

#### **Out-buildings**

These will be upgraded for additional storage.

#### **Managers Flat**

To attract the right manager to the business, we will offer this as an optional tied house. Where a local individual is recruited who does not want this, we will convert it to additional self-catering accommodation for visitors.

#### **Car Park**

Tidied up to ensure good guest parking as well as disabled parking and access for deliveries

#### **6 bedrooms**

These will be upgraded to create modern and attractive self-catering units

#### **Function Hall**

This will be removed, and the space used for additional bedrooms. Initially 8 will be created (i.e. 2 additional to the above 6) but it is likely that more could be developed in this space if demand becomes clear over time.

#### **External Works**

It is assumed that external works will be minimal due to the heritage funded upgrade to the fabric of the building and the roof.

### **3.4 Social Outcomes**

There are three key outcomes that are important to this initiative.

1. The creation of local wealth. This has a range of elements. In simple terms, we will run a business that is profit making but where 100% of that profit is re-invested into the community and back into the business.

The business plan shows £3,842,937 of trading in the first 5 years. This will be re-cycled into the local area through being spent on a local supply chain. Of this we have calculated £512,510 of surplus.

A minimum of 6.6 FTE jobs will be created and around 10 people employed. This is a significant amount for a small rural area and will lead to 10 more sustainable households in the village.

This feeds into the new and important policy area of Community Wealth Building.

2. The creation of social capital. The community will come together and break down barriers of isolation. A social space will lead to strong relationships and people who are more connected to their community.

The mainstream food offering will attract people but particular efforts will be made to attract those who are less connected through things like dementia lunches and youth pizza nights.

3. A resilient community. Creating a stronger sense of community by bringing people together will ensure mutual support when things happen, from flooding to the pandemic.

Purchasing and redeveloping the Douglas Arms as a village pub and hub under community ownership, will address many of the challenges Douglas faces such as relative deprivation, low employment, rural isolation and a learning deficit.

Using good local ingredients and endeavouring to be as healthy as possible will boost good eating habits and encourage wellbeing.

Drawing more members and new people into the Douglas Community Development Company will get more people involved in the decisions that affect them. With its broad membership structure, and a Board drawn from the local area, the Trust aims to facilitate control by local people of developments in their community. This aim motivated both our work in consulting the community about our aspirations for the Douglas Arms and our ongoing invitation to comment on our updates about progress

4. Physical regeneration. We will bring a vacant building that has heritage importance back into productive use. Utilising the most up to date technology we will create as near a net zero building as possible within the constraints of its fundamental structure.

Regenerating the physical infrastructure of the place will boost community self-esteem and attract more visitors to the village.

## 4. Delivering the Project

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### 4.1 Governance and strategic management

The Douglas Community Development Company has an existing board of xxx directors and trustees. The DCDC board will have ultimate oversight of this concept and business plan

However as this is a very specific business to operate, a separate entity will be created to run the New Douglas Arms. This will have its own separate board, though in reality some of the current DCDC board are likely to serve on that new board.

Robust processes and procedures are present and will be further implemented to ensure compliance and monitor performance (financial and outcomes) as the project develops. These will be reviewed to ensure that they are suitable to cope with the increased levels of activity and responsibility that will come with managing the Douglas Arms, as we welcome more visitors.

We will write new policies and procedures where necessary for the Douglas Arms project, reviewing these on a regular basis at our board meetings, one of our board being responsible for reviewing policies and bringing them to the board for amendment where appropriate. Support will come from other community groups and VASLAN (the local Third Sector Interface).

Trading subsidiary

Or community benefit society

Discuss

### 4.2 Staffing

Staff will be required to run the business. The current model sets out around 10 staff and 6.6 full time equivalents.

#### Facilities and Business Manager

There will be a need for an experienced, full-time manager to run the business. The Manager will be responsible for promotion, bookings, customer service and experience, stock control and supervising other staff. The Manager is likely to undertake a certain amount of hands-on work in addition to management duties, but may specialise in either front-of-house or back-of-house, so additional part-time staffing will be determined once the Manager is in post.

The skills and experience of the Manager are vital to the success of the project: they should have experience of running a foot outlet with accommodation, with an understanding of marketing to both visitors and local people. Having the right personality will also be extremely important: the Manager will be a key part of the community and should have the drive and enthusiasm to try new things to attract people. This post could also be undertaken as a job share between a couple.

An additional attraction here in Douglas is the tied Manager's house if that is required.

#### Key Tasks

- Liaising with the board
- Managing, supporting and supervising all staff
- Overseeing schedules to make sure both the bistro and accommodation have enough employees to provide the services
- Leading on budget creation and financial management



- Leading on all legal, good practice and compliance issues across the business – drafting and agreeing suites of policies and procedures
- Managing all major purchases and agreeing supply chains
- Providing high level customer service and accommodating clients who need extra assistance
- Providing training on changes in services
- Scheduling and overseeing maintenance and repairs to keep the fabric of the building to high specification
- Maintaining all data and agreeing systems
- Handling customer complaints and queries
- Promoting and marketing the business

### **Relief Manager**

This post holder will have a slightly lower grade and will be managed by the Manager but will step in then the manager is not working, sick or on leave.

Most of these tasks will be undertaken by the relief manager but major decisions will be left to be decided by the main Manager. A board member may support the relief manager in decision making where required.

### **Bar and waiting staff, kitchen assistants**

Part-time staff, with staffing growing as the business develops.

There will not be formal bar staff as this is a food business with an alcohol licence and waiting staff will therefore serve drinks.

There will be a team of people depending on demand at any one time. Key tasks include;

### **Waiting Staff**

- Welcoming customers when they arrive
- Introducing customers to the menu and announcing daily or seasonal menu specials
- Answering questions about menu items, ingredients, and pricing
- Taking customers' orders for food and drink (ideally by entering them into a tablet linked to a computerised system)
- Passing customer orders along to kitchen staff for preparation
- Preparing drinks and serving them to customers
- Collecting food orders from the kitchen, verifying that they are correct, and serving them to customers
- Ensuring that customers are satisfied with their meals and processing orders for additional courses if necessary
- Removing used dishes, glasses, and flatware from tables
- Preparing bills cheques and delivering them to customers
- Processing cash and credit card payments and returns change to customers if necessary
- Setting tables with dishes, glasses, and flatware and refilling condiments
- Maintaining familiarity with menu items, specials, and restaurant information
- Meeting with managers and wait staff daily or regularly in order to learn about menu changes

### **Kitchen/Catering Assistants**

- Assisting in food preparation under the control of the chef
- Carrying out basic food preparation tasks such as washing and peeling produce, making sauces and dressings, and slicing and cutting meat.

- Maintaining the schedule for catering orders. Keeping track of the schedule and ensuring orders are ready quickly and correctly
- Working with the chef to maintaining the food inventory
- Cleaning surfaces, fridges etc
- Washing dishes

### **Cleaning / Caretaking**

Part-time cleaner and caretaker responsible for cleaning and day-to-day upkeep of bedrooms, public areas and reception. This may be more than one person

Key tasks

#### **Cleaning**

- Responsible for all basic cleaning in and around the facility
- Cleans floors and rooms. including dust mopping, damp mopping, sweeping, vacuuming, dusting, picking up larger objects off the floor, and spot cleaning glass and windows.
- Cleans toilets, including restocking dispensers, emptying rubbish, cleaning and sanitising fixtures, cleaning mirrors, spot cleaning partition doors and walls, sweeping and mopping tile floors, and cleaning toilets and urinals.
- Vacuums, empties rubbish, and replaces liners.
- Sets up, stocks, and maintains cleaning equipment and supplies.
- Transports dirty linens to correct area to be cleaned and restocks areas with clean linens.

#### **Caretaking (same post)**

- Undertaking basic maintenance and repairs on an on-going basis
- Arranging and managing larger repairs and upgrades – sourcing and overseeing appropriate contractors
- Working with the administrator to agree a timetable of compliance and checks
- Gardening and performing landscape duties
- Performing basic repairs and maintenance tasks as required
- Monitoring cleaning materials and equipment
- Opening building at the start of the day and locking all doors and windows when not in operation

### **Cook / Catering Manager**

Key tasks

- Managing the food and drink provision in the bistro
- Leading food preparation
- Supervising catering and waiting staff
- Planning menus
- Recruiting and training permanent and casual staff
- Organising, leading and motivating the catering team
- Planning staff shifts and rotas
- Ensuring health and safety regulations are strictly observed
- Working with the Manager to agree budgets and establish financial targets and forecasts
- Monitor the quality of the food and service provided
- Keep financial and administrative records for the Administrator to use
- Maintain stock levels and order new supplies as required
- Agree and manage the supply chain, especially a local and social enterprise supply chain
- Ensure compliance with all legal and good practice requirements

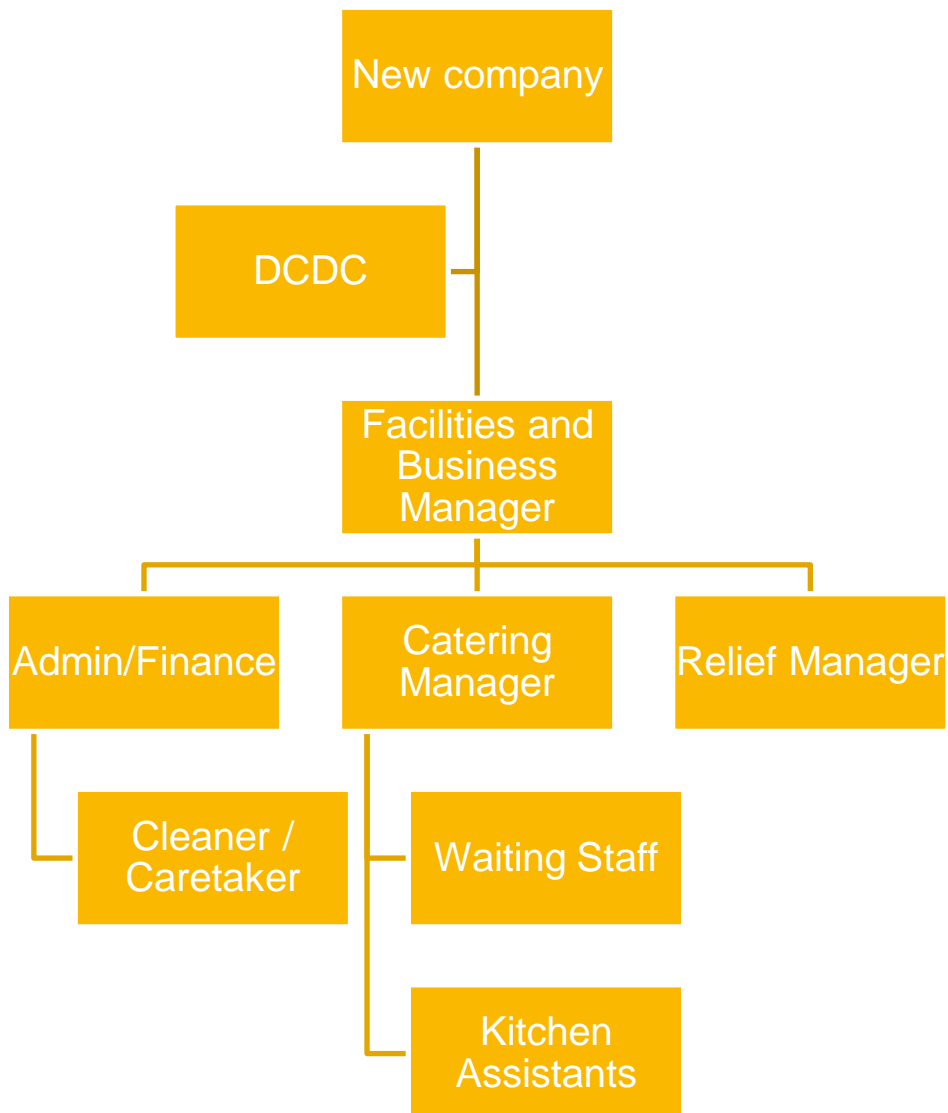
### Admin / Finance (part time)

This person will ensure the whole operation runs smoothly and efficiently and will work very closely with the Facilities/Business Manager but also with the Catering Manager and Caretaker.

Key tasks include;

- Ensuring the facility runs efficiently and smoothly.
- Advising the board on health and safety and other compliance issues
- All usual administrative tasks including photocopying, answering the phone, recording post etc.
- Being a first point of contact for customers and acting as receptionist
- Ensuring HR is up to date, being aware of changes, alerting CEO/Manager and Board to their responsibilities
- Book-keeper role including bank reconciliation and recording all data on Sage, issuing invoices and paying bills.

### Staffing Structure



### 4.3 Monitoring and Evaluation

Grant funding for the purchase and development of the old Douglas Arms to convert it into a local bistro with accommodation will enable us to create a sustainable community-owned asset both meeting local needs and generating income for additional work. We are aware that because of this, we will have multiple outcomes to achieve. The Board is committed to monitoring progress towards social and financial targets.

We have identified the following key performance indicators (KPIs), which we will monitor and review with the Facilities and Business Manager on a regular basis:

- Number of covers served
- Bistro takings
- Occupancy for accommodation
- Community and customer satisfaction
- Nature of customers including breakdown of local vs visitor numbers
- Economic impact on the community
- Establishment of special initiatives at quiet times e.g. dementia lunches

We will gather this information from:

- Financial data gathered through the Electronic Point of Sale system and our booking platform.
- Short, simple customer feedback surveys, and reviews on social media and on travel platforms.
- Simple feedback forms on tables
- Post visit feedback based on links on the receipt (with loyalty rewards)
- A less frequent but more in-depth local survey to record wider community benefit. This will seek feedback on how people use the pub and hub, what difference it makes and suggestions for improvement.
- Feedback from local accommodation providers and other tourism businesses to monitor the impact of the Douglas Arms on them, positively and negatively. This will include both quantitative (occupancy rates) and qualitative (customer satisfaction) measures.

The information gathered through our monitoring and evaluation work will be used for a number of distinct purposes:

1. To help us make the Douglas Arms as attractive as possible to the people of Douglas and visitors. Learning from our evaluation will help improve the service
2. To communicate what we are doing with local stakeholders so that local people see the progress of the business and the impact it is making.
3. To ensure that our services meet demand and are financially sustainable
4. To show funders and investors that we have achieved what we have set out to do
5. To contribute to marketing material. We will use positive statistics and quotes to push new business

#### 4.4 Partners and Collaborators

We will work with a range of partners. The following will be key to the success of this project:

Potential Partners	How the Douglas Community Development Company can work with them
VASLAN	Support with funding and governance
Visit Scotland	Registered on the appropriate sites to encourage promotion of the business
Cross Keys and Countryside Inn	Joint marketing and cross referral to ensure all businesses can grow with the appropriate customers
The Plunkett Foundation and the Pub is The Hub Campaign	Providing advice and support on running a community pub.
St Brides Centre	Joint work particularly ensuring events and larger initiatives take place at St Brides.
Universal Connections	Link to youth employability initiatives
South Lanarkshire College	Possible future links to catering department.

## 4.5 Risk Mitigation

We have identified a number of potential risks which could impact on the success of the Bistro and Accommodation , along with actions required to mitigate these.

Risk	Impact	Probability	Existing Controls	Action Required	Lead Responsibility
Difficult securing funding for purchase	High	Low	Likely bid to Scottish Land fund Match funding from REF fund	Back up bid to Community Ownership fund	DCDC board
Difficulty securing capital funding	Medium	Medium	Discussions with funders already underway Commercial opportunity for loan funding	Need costings from a design team or contractor Form a Community Benefit Society, which will enable the Douglas Community Development Company to raise funding through Community Shares, both for start-up funding and other costs in the future. Develop a local fundraising plan, to include opportunities from Crowd Funding, corporate donations, sponsorship, 'buy-a-brick' schemes and similar. Develop a phased approach to repairs and upgrades with most urgent and beneficial repairs prioritised	DCDC board
Fit out costs higher than expected	Medium	Medium	n/a	Technical design team or contractor to fully cost the renovations with 10% minimum contingencies and inflation to manage Brexit and covid related prices increases	Board

Risk	Impact	Probability	Existing Controls	Action Required	Lead Responsibility
Demand lower than expected once operational	High	Low to Medium	Marketing strategy in place Existing relationships with tourism industry partners	Review and implement marketing strategy with new Manager Re-branding of Douglas Arms to coincide with relaunch Deals and loyalty bonuses	Manager, with guidance from Board
Difficulty recruiting and retaining a suitable manager and other staff	High	Low	Attractive live-in accommodation and location for manager	Clearly defined job description and professional processes for recruitment, management, review and disciplinary procedure Comprehensive training (licence certification, food hygiene, customer service)	New Douglas Arms board
Low levels of volunteer availability	Low	Medium	Existing pool of volunteers locally	Recruitment with help from VASLAN	Manager
Loss of Key Personnel or Board Members	High	Medium	Good range of skills across board Low reliance on volunteers	Training, mentoring and succession planning within board	Board

Risk	Impact	Probability	Existing Controls	Action Required	Lead Responsibility
Insufficient reserves to manage cash flow	High	Low	Board with experience of managing and monitoring budgets	<p>Effective management of community share offer or loan to ensure that a portion of this income can be used to support cash flow in initial year</p> <p>Regular monitoring of management accounts by board</p> <p>Careful budgeting and overdraft facility</p> <p>Additional loan funding from social lenders</p>	Board, with regular financial monitoring by manager
Complaints from other organisations/communities concerned about competition	Medium	Low	<p>Competitive analysis undertaken during feasibility study.</p> <p>Good existing relationships with other tourism and hospitality businesses,</p>	Manager to develop working links with other accommodation providers in Douglas and surrounding area.	Board, Manager



## 5. Marketing

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Community ownership will be an opportunity to bring new people into the Douglas Arms, including both local people and visitors. We will work to raise the profile of the New Douglas Arms locally, and to highlight Douglas as a destination for visitors from across Scotland, the UK and perhaps in key international markets. The focus though according to the Visit Scotland Insight reports noted in the feasibility study is to focus on the UK market.

In general, our marketing strategy aims to:

- Establish a new identity for the current Douglas Arms as a community owned bistro with accommodation offering high quality local produce in a warm, welcoming environment.
- Attract local residents to visit the New Douglas Arms for meals to meet friends or spend time with family, take part in activities and events.
- Raise awareness of the bistro and accommodation among visitors, particularly new and growing segments that are changing post covid
- Continue our work with other local tourism businesses to develop mutually beneficial marketing links and materials that draw visitors to the village and surrounding areas.
- Attract investment in the Douglas Arms from the community and funders.

Although new marketing channels will be developed for the New Douglas Arms, we will be able to build on our experience. The Douglas Community Development Company already has strong channels for communicating with the local community, including a Facebook page (568 followers - <https://www.facebook.com/DouglasCommunityDevelopmentCompany/>).

The New Douglas Arms will develop its own identify and social media routes, using facebook, twitter and instagram and linking to blogs on the website.

A named contact on the new Board will be responsible for overseeing communications to ensure good relationships with customers, although day-to-day marketing activity will be undertaken by staff. A strategy will be written by the Manger (potentially with outside help from initiatives such as Just Enterprise the national social enterprise support contract.

## 5.1 Our Customers

It will be necessary to attract new groups to the New Douglas Arms, as well as to encourage local people to visit regularly. Based on our market research, our main customer groups are:

Customer Group	Profile	Needs
<b>Bistro</b>		
Douglas Residents	Village population is a mix of retired and semi-retired people and younger people who commute to work outside the village or work for local employers.	<ul style="list-style-type: none"> <li>• A place for casual meals out, especially at weekends</li> <li>• A place to celebrate family events like birthdays</li> <li>• Somewhere to meet friends in the evening</li> <li>• A warm and welcoming atmosphere which brings people together</li> </ul>
Holiday visitors to Douglas and surrounding area	Likely to be visitors who look for new experiences in less trodden places	<ul style="list-style-type: none"> <li>• Somewhere to go out during their stay, especially in the evenings</li> <li>• Breakfast during their stay</li> <li>• Family and dog-friendly environment</li> <li>• The chance to meet local people</li> </ul>
Day trippers	Individuals (walkers and cyclists) and families visiting the wider area	<ul style="list-style-type: none"> <li>• Somewhere cosy to get out of the rain when necessary</li> <li>• Quick service (especially during the day)</li> <li>• High quality lunches, local specialties</li> <li>• Information about what to do in the region for onward journey planning</li> <li>• Up-to-date online presence, including menus; opening hours on Google/Apple Maps and Trip Advisor</li> </ul>
Passing trade	People who stop off in Douglas on the way to Ayrshire or towards Edinburgh and Glasgow  People going to work	<ul style="list-style-type: none"> <li>• Quick service (especially during the day)</li> <li>• Loyalty bonuses for repeat customers</li> </ul>
<b>Accommodation</b>		
Douglas Residents	As above	<ul style="list-style-type: none"> <li>• Somewhere for visiting family members to stay</li> </ul>

Local employers	<p>Companies in and near Douglas requiring basic but comfortable accommodation for employees and contractors visiting the area, with evening meals provided. Accommodation will generally be booked in advance by office staff.</p> <p>Potential to go to windfarm to see if they need better accommodation. They may need more people.</p>	<ul style="list-style-type: none"> <li>• Convenient availability, booking and invoicing</li> <li>• En-suite rooms</li> <li>• Early check-out and breakfast</li> <li>• Packed lunches available</li> <li>• Reliable Wi-Fi</li> <li>• Investigate long-stay and/or single occupancy pricing</li> </ul>
Holiday visitors to Douglas and surrounding area	As above	<ul style="list-style-type: none"> <li>• A welcoming place to stay that gives visitors a chance to connect with the community and get a taste of village life</li> <li>• Online presence and instant booking</li> </ul>

## 5.5 Brand and selling points

There are a range of key selling points that the DCDC will be able to call upon to advertise the facilities at the New Douglas Arms.

- A focus on high quality local ingredients
- A friendly, community-oriented space, which strives to be inclusive and welcoming for all.
- Community-owned. The story of local people coming together to buy the building for the community
- Social Impact. The project will market itself as a social enterprise

A new brand will be needed to reflect these, and we will commission this along with a new website for the business.

## 5.6 Marketing Strategy

	Fundraising and renovation period	Launch year	Growth and consolidation
Web	<ul style="list-style-type: none"> <li>• Set up new company</li> <li>• Secure a branding and design agency and web developer to create an attractive booking enabled site</li> <li>• Contact online directories to update contact details</li> <li>• Register on Visit Scotland</li> <li>• Register on all key third party booking sites for accommodation</li> </ul>	<ul style="list-style-type: none"> <li>• Finalise profile and images for accommodation on key booking platforms: Booking.com, Airbnb, Trip Advisor Instant Booking and Visit Scotland</li> <li>• Update contact details and opening hours on Google and Apple Maps and refresh photography</li> <li>• Some targeted advertising through Google adwords</li> <li>• Flyers in key locations and visitor attractions</li> </ul>	<ul style="list-style-type: none"> <li>• Regularly analyse bookings from website and platforms to ensure effective use of marketing budget</li> <li>• Monitor feedback from review platforms</li> <li>• Seasonal web advertising campaigns to tie into events and trends throughout the year: e.g. football season, angling season, Christmas period, festivals</li> </ul>
Social media	<ul style="list-style-type: none"> <li>• Create social media profiles: Facebook, Twitter, Instagram</li> <li>• Create content guidelines for social media to build following. Content could include Community Bistro and social enterprise success stories</li> <li>• Regular updates on progress</li> </ul>	<ul style="list-style-type: none"> <li>• Social media campaign to generate interest prior to and during launch. Content could include updates on renovation work, features on local suppliers, competitions, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Social media profiles regularly updated with specials, offers and events</li> <li>• Work with travel blogger with an established following to feature New Douglas Arms and other attractions in Douglas</li> </ul>
Email	<ul style="list-style-type: none"> <li>• Begin to build GDPR-compliant customer database starting with members</li> </ul>	<ul style="list-style-type: none"> <li>• Develop newsletter via MailChimp or similar</li> </ul>	<ul style="list-style-type: none"> <li>• Regular updates to community</li> <li>• Build on database and investigate promotions to attract repeat custom</li> </ul>

Print and press	<ul style="list-style-type: none"> <li>• High profile stories in local press</li> <li>• Leaflet drop throughout the community</li> </ul>	<ul style="list-style-type: none"> <li>• Stories in all local press</li> <li>• Flyers in local venues such as the St Bride's Centre</li> </ul>	<ul style="list-style-type: none"> <li>• Regular 'What's On' updates</li> </ul>
Events and word-of-mouth	<ul style="list-style-type: none"> <li>• Launch</li> </ul>	<ul style="list-style-type: none"> <li>• Launch event or offer to attract initial customers</li> <li>• Business to business campaign targeting local employers and tour/coach companies such as Rabbie's to encourage this to be a stopping off point</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic seasonal events and promotions</li> <li>• Conduct customer satisfaction survey periodically</li> </ul>
Onsite / point of sale	<ul style="list-style-type: none"> <li>• Prominent signage on New Douglas Arms building following transfer of ownership</li> </ul>	<ul style="list-style-type: none"> <li>• Deals at reception and at point of sale</li> <li>• Install attractive noticeboards, leaflet displays. Ensure that large-print and simplified versions are available.</li> </ul>	<ul style="list-style-type: none"> <li>• Display positive ratings and encourage satisfied guests to leave positive reviews</li> <li>• Quote of the week</li> </ul>

## 6. Funding and Finance

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### 6.1 Sale Price

A letter of comfort from the owner has been received confirm that they will consider selling to the community

There will need to be an independent valuation to establish a price, but it is known that the owner paid £85,000 for it.

### 6.2 Income Generation and Sustainability

Our key income streams will be from food and drink sales and accommodation.

#### *Food and drink*

Income projections for food and drink are based on expected customer numbers and average spend for daytime and evening meals, teas and coffees and drinks at the bar.

We have used figures published by the British Beer and Pub Association for similar pubs to estimate the cost of sales for food and drink, as a detailed breakdown was not available from this actual business. However other venues have a lower cost of sales and higher margins.

We are estimating the following customers numbers across the seasons;

<b>Customer numbers (yr 1)</b>	<b>Low</b>	<b>High</b>
Breakfasts, lunches	25	40
Dinners	30	65
Drinks	30	50
Teas/coffees	25	60
Set menus	30	75

Prices are moderate and demand also notionally increases 10% in year 2 and 5% in year 3 levelling off in years 4 and 5.

#### *Accommodation*

The figures for accommodation are based on predicted occupancy. This is likely to remain fairly low in the initial years until rooms can be marketed, but there will be a modest increase due to more effective marketing online. Once rooms have been converted, we expect to see increased occupancy in line with market statistics, advice from Visit Scotland and feedback from other local accommodation providers.

We anticipate that numbers for the first year after transfer of ownership will be low. In year one there is an estimate of 8 rooms and 50% occupancy in the low season with 80% occupancy in the high season. Pricing is £50 in the low season and £80 in the high season. There is an increase of 15% trading in year 2 and a further 10% in year 3, then the demand levels off.

#### *Functions, events, training and letting*

The Douglas Arms may bring in a small amount of income from local functions and meetings but this will be exceptional as we will drive that kind of business to other providers in the village.

The largest expense will be staffing, which will increase given the need to employ a manager as well as part time staff. The estimated staffing complement is set out below, but will respond to changes in the business as time goes by.

Salaries:						
	Salary	FTE	Pro Rata	NI	Pension	Total emp costs per individual
<b>Manager</b>	£28,000.00	1	£28,000	£2,551	£1,400	£31,951
<b>Relief Manager</b>	£26,000.00	0.3	£7,800	£0	£1,300	£9,100
<b>Admin / Finance</b>	£25,000.00	0.5	£12,500	£412	£1,250	£14,162
<b>Catering Manager and Bar Steward</b>	£24,000.00	1	£24,000	£1,999	£1,200	£27,199
<b>Waiting staff and bar staff</b>	£18,000.00	1.5	£27,000	£2,413	£900	£30,313
<b>Cook</b>	£24,000.00	0.8	£19,200	£1,336	£1,200	£21,736
<b>Kitchen asst</b>	£20,000	1	£20,000	£1,447	£1,000	£22,447
<b>Cleaners (incl rooms)</b>	£18,000	0.5	£9,000	£0	£900	£9,900
<b>Total</b>		<b>6.6</b>	<b>£138,500</b>	<b>£10,157</b>	<b>£8,250</b>	<b>£166,807</b>

#### *Financial projections*

Our full financial projections are shown in the Appendix 1 in this Business Plan. We have shown 5 years, for all income streams. A summary can be see below, but crucially VAT has not been included.

	Yr1	Yr2	Yr3	Yr4	Yr5
<b>Income</b>					
Shares	£20,000				
Grants	£30,000				
Trading	£1,320,675	£1,452,743	£1,525,380	£1,598,017	£1,598,017
<b>Total</b>	<b>£1,370,675</b>	<b>£1,452,743</b>	<b>£1,525,380</b>	<b>£1,598,017</b>	<b>£1,598,017</b>
<b>Expenditure</b>	<b>£1,356,831</b>	<b>£1,388,044</b>	<b>£1,407,482</b>	<b>£1,427,033</b>	<b>£1,432,172</b>
Surplus/Deficit	£13,844	£64,698	£117,898	£170,984	£165,844
Balance Carried forward	£13,844	£78,542	£196,439	£367,423	£533,268

### 6.3 Funding Strategy

#### *Grant and loan funding: capital*

We will require a cost plan on which to base a funding strategy which is only notional at the moment. Following a conditions survey either a contractor or an architect led design team will identify a price with contingencies and inflation built in.

Repair and upgrade work will be phased in order to allow us to begin running the business within a short period after purchase, having carried out the most essential repairs to the building and renovated the public area, lounge bar and function suite to make the bistro look and feel welcoming.

We are also aware of a number of unsecured ‘soft’ and social loans offered for upgrading community spaces and making environmental improvements to buildings.

#### *Grant funding: revenue*

We will seek revenue funding towards the cost of employing a manager in the first year. This individual will be key to the development of the business, and securing this funding will mean that the manager will be able to be employed at an earlier date to ensure that the launch period is successful.

#### *Community shares and local fundraising*

A key part of our funding strategy will be to secure investment from the local community through **a Community Share issue or donations.**

This funding will cover costs that grant funders will not support, including the acquisition of initial stock and a contribution to cash flow during the first year of business. We are aware that Community Shares are withdrawable after the initial investment period, and will manage cash flow to allow for this.

#### Potential Funders

Source of Funding	Current State and Future Changes	Indicative Amount
<b>Purchase</b>		
Scottish Land Fund	Up to 95% of independent Valuation	Say £80,750
	Legal and other fees	Say £10,000
Renewable Energy Funding	Match funding Stock and start up costs such as branding and marketing	Say £20,000
<b>Renovation and set up</b>		
Scottish Land Fund	As noted, small capital upgrades are possible but only up to about	£30,000



	£30,000. And only if this will get the building operational	
REF funding	Contribution to capital upgrade	Say £75,000
Local windfarms	New windfarms coming on stream which will be able to provide core support for such a project	Unknown
Regeneration Capital Grants Fund	If there is a focus on regeneration (economic development, employment and well-being for instance) there are opportunities to secure this, but the lead applicant would be South Lanarkshire Council.	£1m
National Lottery Heritage Fund	The heritage of the building already attracted funding from CARS so there is a chance for a modest contribution from the up to £250,000 fund	£100,000
Historic Environment Scotland	Repair Grant Only eligible costs to be worked out by design team	£75,000
Place Based Investment Fund	Up to £325 Scotland wide over 4 years  This funding is distributed to local authorities so there will need to be discussion with South Lanarkshire Council about future possibilities	Unknown, say £200,000
Visit Scotland Tourism Infrastructure Fund	This could fund somewhere in the region of £300,000 but would need to focus on a bespoke element of the project.	£100,000
Various charitable trusts	Local, regional and national	£100,000
Community Shares	Potential investment from local community if this governance model is chosen	£75,000
Loans	There are a range of opportunities for social lending that would provide finance based on a strong business plan and would be more supportive and flexible than the clearing banks.  These included Social Investment Scotland, Big Issue Invest, Co-	Not currently built into the cash flow  This requires a significant risk to the charity so the focus would be on increasing the grant element or undertaking a cost

	operative, Triodos and others with varying interest rates and conditions.	savings exercise to reduce the loan liability
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**6.3 VAT and Corporation Tax**

The Douglas Arms will surpass the VAT threshold and will need to be VAT registered. Most of the products sold will be subject to VAT at standard rate (including hot food to be eaten on the premises or taken away, alcoholic drinks, soft drinks, crisps and savoury snacks). An Electronic Point of Sale system will enable accounting for VAT. It is likely that there will be a 20% tax liability on all income. However there will also be some VAT reclaim. On food and supplies this is a complex area that requires specialist input.

We have estimated the VAT liability but will seek a formal VAT assessment at an early stage to provide us with guidance on this.

As a Community Benefit Society, the Douglas Arms will be subject to corporation tax. However, the assumption is that the Douglas Arms will gift profits to the Douglas Community Development Company as its anchor share holder to be used for community benefit.

## **Appendix 1: Board CVs**

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## Appendix 2: Financial Projections

ALL CORE RUNNING COSTS			
	Monthly	Annual	Notes
<b>Admin. Costs:</b>			
HR, IT, payroll legal advice etc	£250	£3,000	Retainer commissioned
Rates and water rates	£200	£2,400	RV is £14,850. Business rates will be zero with small busines bonus scheme but this should be monitored for any changes
Licenses	£75	£900	PRS etc
Insurance	£750	£9,000	Estimate to be secured but this is a large building with significant liability
Light & heat	£750	£9,000	Depends on extent of the operation.
Repair & maintenance	£500	£6,000	
Printing, postage, stationery, internet	£100	£1,200	
Website hosting	£40	£480	
Marketing	£500	£6,000	Use of social media
Card payment service	£50	£600	
Telephone, mobile and broadband	£100	£1,200	
Accountancy	£600	£7,200	
Sundry	£150	£1,800	
	£4,065	£48,780	

Salaries:							
	Salary	FTE	Pro Rata	NI	Pension	Total emp costs per individual	Cost centre
<b>Manager</b>	£28,000.00	1	£28,000	£2,551	£1,400	£31,951	Core
<b>Relief Manager</b>	£26,000.00	0.3	£7,800	£0	£1,300	£9,100	Core
<b>Admin / Finance</b>	£25,000.00	0.5	£12,500	£412	£1,250	£14,162	Core
<b>Catering Manager and Bar Steward</b>	£24,000.00	1	£24,000	£1,999	£1,200	£27,199	Bar and Restaurant
<b>Waiting staff and bar staff</b>	£18,000.00	1.5	£27,000	£2,413	£900	£30,313	Bar and Restaurant
<b>Cook</b>	£24,000.00	0.8	£19,200	£1,336	£1,200	£21,736	Bar and Restaurant
<b>Kitchen asst</b>	£20,000	1	£20,000	£1,447	£1,000	£22,447	Bar and Restaurant
<b>Cleaners (incl rooms)</b>	£18,000	0.5	£9,000	£0	£900	£9,900	Accom
<b>Total</b>		<b>6.6</b>	<b>£138,500</b>	<b>£10,157</b>	<b>£8,250</b>	<b>£166,807</b>	
<b>Note 1</b>	Note: assuming this is an employed position. May want to look into franchise fee, commission, etc.						
<b>Totals:</b>							
<b>Core:</b>	£55,212.58						
<b>Accom:</b>	£9,900.00						
<b>Bar and Rest:</b>	£101,694.77						
<b>All</b>	£166,807.35						

ASSUMPTIONS														
Bar cost of sales		45%												Based on Beer and Pub Assoc. guideline figures for a 'rural character' pub.
Food cost of sales		42%												As above - assume cost of food slightly higher as access to suppliers may be more limited & emphasis will be on local, good quality
<b>Pricing and average spend</b>														
Average spend: Breakfast & lunch				£12										All per order.
Average spend: Dinner				£25										
Average spend: drinks				£8										
Average spend: teas and coffees				£5										
Set menu price				£20										
<b>Customer numbers (yr 1)</b>														
		Low		High										
Breakfasts, lunches		25		40										Per day
Dinners		30		65										Per day
Drinks		30		50										Per day - customers likely to order multiple drinks but no customers come for drinks only
Teas/coffees		25		60										Per day
Set menus		30		75										Per month
<b>INCOME PROJECTION</b>														
<b>Yearly income projection:</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Year</b>	
Number of nights	30	31	30	31	31	30	31	30	31	31	31	28	31	
High or low season	Low	High	High	High	High	High	Low	Low	High	Low	Low	Low		
Number of lunches	25	40	40	40	40	40	25	25	40	25	25	25	25	
Number of dinners	30	65	65	65	65	65	30	30	65	30	30	30	30	
Number of drinks	30	50	50	50	50	50	30	30	50	30	30	30	30	
Number of teas/coffees	25	60	60	60	60	60	25	25	60	25	25	25	25	
Number of set menus	30	75	75	75	75	75	30	30	75	30	30	30	30	Weekly:
Total food and drink sales	£60,450	£133,455	£129,150	£133,455	£133,455	£129,150	£62,465	£60,450	£133,455	£62,465	£56,420	£62,465	#####	£22,246.83
Cost of sale (food)	£42,810	£94,085	£91,050	£94,085	£94,085	£91,050	£44,237	£42,810	£94,085	£44,237	£39,956	£44,237	£816,727	
Cost of sale (drink)	£3,240	£5,580	£5,400	£5,580	£5,580	£5,400	£3,348	£3,240	£5,580	£3,348	£3,024	£3,348	£52,668	
Total cost of sale	£46,050	£99,665	£96,450	£99,665	£99,665	£96,450	£47,585	£46,050	£99,665	£47,585	£42,980	£47,585	£869,395	
Gross profit	£14,400	£33,790	£32,700	£33,790	£33,790	£32,700	£14,880	£14,400	£33,790	£14,880	£13,440	£14,880	£287,440	
<b>RUNNING COSTS</b>														
Salaries		£101,695												(specific to restaurant) See staffing tab
Premises license annual fee		£280												See internet search
Personal license renewal		£50												
Visit Scotland QA		£200												Taste our Best scheme free if assessed as an accommodation provider
Sky TV		£4,800												British Beer & Pub Assoc guidance
Laundry costs		£500												Kitchen & bar cloths, done in-house. Does not include impact on energy bills.
Maintenance & repair		£2,000												Kitcen equipment etc.
Total running costs (bistro)		£109,525												

Rooms:	Number	Price per night																		
		Low Season	High Season																	
En-suite double	8	£50.00	£80.00															Assuming same pricing across all rooms, though business plan will show variation		
<b>Total:</b>	<b>8</b>																			
		Year one																		
<b>Occupancy:</b>		<b>Low Season</b>	<b>High Season</b>																	
		50%	80%																	
<b>Bookings channels:</b>																				
<b>Use 3rd party booking sites? (YES/NO)</b>	<b>YES</b>																			
		<b>Percentage</b>	<b>Commission</b>																	
Via HA website, pay online		50%	0%																	
Via third party sites, pay online		25%	15%																	
Via email/phone and walk-ins		25%	0																	
<b>Laundry cost per room:</b>		£5.00																	Assuming laundry sent out. Does not include staff time (cleaner's hours calculated separately)	
<b>Gross profit on room (after commission and laundry cost)</b>		<b>Low Season</b>	<b>High Season</b>																	
Via third party sites, pay online		£37.50	£63.00																	
Booked directly		£45.00	£75.00																	
<b>Yearly income projection:</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Year</b>							
Number of nights	30	31	31	30	31	31	30	31	30	31	31	28	31							
Number of room nights available	240	248	240	248	248	248	240	248	240	248	224	248								
High or low season	Low	High	High	High	High	High	High	High	High	Low	Low	Low								
Total room nights booked	120	198	192	198	198	192	198	192	198	124	112	124								
Income:	£9,600.00	£15,872.00	£15,360.00	£15,872.00	£15,872.00	£15,360.00	£15,872.00	£15,360.00	£15,872.00	£9,920.00	£8,960.00	£9,920.00	<b>£163,840.00</b>							
Third party commission:	£225.00	£595.20	£576.00	£595.20	£595.20	£576.00	£595.20	£576.00	£595.20	£232.50	£210.00	£232.50	<b>£5,604.00</b>							
Laundry cost	£600	£992	£960	£992	£992	£960	£992	£960	£992	£620	£560	£620	<b>£10,240</b>							
Gross profit:	£8,775	£14,285	£13,824	£14,285	£14,285	£13,824	£14,285	£13,824	£14,285	£9,068	£8,190	£9,068	<b>£147,996</b>							
<b>RUNNING COSTS</b>																				Only includes expenses specific to accommodation business.
Cleaner (rooms)			£9,900																	See staffing tab
Online booking system			£300																	
Visit Scotland QA			£256.95																	
Business membership			£100																	
Repairs & maintenance			£2,000																	
Total running costs (accommodation)			£12,556.95																	

Year one														
Target opening date		2023												
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Year Total	
<b>Income</b>														
Community shares	20000												20000	
Start up grant	30000												30000	
Income from bar and restaurant	£60,450	£133,455	£129,150	£133,455	£133,455	£129,150	£62,465	£60,450	£133,455	£62,465	£56,420	£62,465	£1,156,835	
Income from accommodation	9600	15872	15360	15872	15872	15360	15872	15360	15872	9920	8960	9920	£163,840	
<b>Total income</b>	<b>120050</b>	<b>149327</b>	<b>144510</b>	<b>149327</b>	<b>149327</b>	<b>144510</b>	<b>78337</b>	<b>75810</b>	<b>149327</b>	<b>72385</b>	<b>65380</b>	<b>72385</b>	<b>£1,370,675</b>	
<b>Expenditure</b>														
Cost of sales (food and drink)	£46,050	£99,665	£96,450	£99,665	£99,665	£96,450	£47,585	£46,050	£99,665	£47,585	£42,980	£47,585	£869,395	
Cost of sales (accomm)	£825	£1,587	£1,536	£1,587	£1,587	£1,536	£1,587	£1,536	£1,587	£853	£770	£853	£15,844	
Total wages & salaries	£13,901	£13,901	£13,901	£13,901	£13,901	£13,901	£13,901	£13,901	£13,901	£13,901	£13,901	£13,901	£166,807	
Total core costs	£4,065	£4,065	£4,065	£4,065	£4,065	£4,065	£4,065	£4,065	£4,065	£4,065	£4,065	£4,065	£48,780	
VAT liability	£13,333	£29,188	£28,225	£29,188	£29,188	£28,225	£14,990	£14,485	£29,188	£13,800	£12,399	£13,800	£256,005	
<b>Total Expenditure</b>	<b>£78,173</b>	<b>£148,406</b>	<b>£144,176</b>	<b>£148,406</b>	<b>£148,406</b>	<b>£144,176</b>	<b>£82,128</b>	<b>£80,036</b>	<b>£148,406</b>	<b>£80,203</b>	<b>£74,114</b>	<b>£80,203</b>	<b>£1,356,831</b>	
Monthly Profit or loss	£41,877	£921	£334	£921	£921	£334	-£3,791	-£4,226	£921	-£7,818	-£8,734	-£7,818	£13,844	
Balance carried forward	£41,877	£42,798	£43,132	£44,053	£44,975	£45,309	£41,518	£37,292	£38,213	£30,395	£21,661	£13,844		
			VAT liability		£19,573	£18,920	£9,157	£8,840	£19,573	£9,010	£8,073	£9,010	£176,370	
NB - Winter loss can be ameliorated by a reduction in staffing														



Year two														
Target opening date		2024												
		Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Year Total
<b>Income</b>	<b>notes</b>													
Income from bar and restaurant	10% increase in sales from year 1	£66,495	£146,801	£142,065	£146,801	£146,801	£142,065	£68,712	£66,495	£146,801	£68,712	£62,062	£68,712	£1,272,519
Income from accommodation	10% increase in sales from year 2	10560	17459.2	16896	17459.2	17459.2	16896	17459.2	16896	17459.2	10912	9856	10912	£180,224
<b>Total income</b>		<b>77055</b>	<b>164260</b>	<b>158961</b>	<b>164260</b>	<b>164260</b>	<b>158961</b>	<b>86171</b>	<b>83391</b>	<b>164260</b>	<b>79624</b>	<b>71918</b>	<b>79624</b>	<b>£1,452,743</b>
<b>Expenditure</b>														
Cost of sales (food and drink)		£46,050	£99,665	£96,450	£99,665	£99,665	£96,450	£47,585	£46,050	£99,665	£47,585	£42,980	£47,585	£869,395
Cost of sales (accomm)		£825	£1,587	£1,536	£1,587	£1,587	£1,536	£1,587	£1,536	£1,587	£853	£770	£853	£15,844
Total wages & salaries	2% cost of living increase	£14,179	£14,179	£14,179	£14,179	£14,179	£14,179	£14,179	£14,179	£14,179	£14,179	£14,179	£14,179	£170,143
Total core costs	3% inflation	£4,187	£4,187	£4,187	£4,187	£4,187	£4,187	£4,187	£4,187	£4,187	£4,187	£4,187	£4,187	£50,243
VAT liability		£14,734	£32,174	£31,115	£32,174	£32,174	£31,115	£16,557	£16,001	£32,174	£15,247	£13,706	£15,247	£282,419
<b>Total Expenditure</b>		<b>£79,974</b>	<b>£151,792</b>	<b>£147,466</b>	<b>£151,792</b>	<b>£151,792</b>	<b>£147,466</b>	<b>£84,094</b>	<b>£81,952</b>	<b>£151,792</b>	<b>£82,050</b>	<b>£75,822</b>	<b>£82,050</b>	<b>£1,388,044</b>
Monthly Profit or loss		<b>-£2,919</b>	£12,467	£11,495	£12,467	£12,467	£11,495	£2,076	£1,439	£12,467	<b>-£2,427</b>	<b>-£3,904</b>	<b>-£2,427</b>	£64,698
Balance carried forward		<b>-£2,919</b>	£9,548	£21,043	£33,511	£45,978	£57,473	£59,549	£60,988	£73,455	£71,029	£67,125	£64,698	
NB - Winter loss can be ameliorated by a reduction in staffing														

Year three														
Target opening date		2025												
		Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Year Total
<b>Income</b>	<b>notes</b>													
Income from bar and restaurant	5% increase in sales from year 1	£69,820	£154,141	£149,168	£154,141	£154,141	£149,168	£72,147	£69,820	£154,141	£72,147	£65,165	£72,147	£1,336,144
Income from accommodation	5% increase in sales from year 2	11088	18332.16	17740.8	18332.16	18332.16	17740.8	18332.16	17740.8	18332.16	11457.6	10348.8	11457.6	£189,235
<b>Total income</b>		<b>80907.75</b>	<b>172473</b>	<b>166909.1</b>	<b>172473</b>	<b>172473</b>	<b>166909</b>	<b>90479</b>	<b>87561</b>	<b>172473</b>	<b>83605</b>	<b>75514</b>	<b>83605</b>	<b>£1,525,380</b>
<b>Expenditure</b>														
Cost of sales (food and drink)		£46,050	£99,665	£96,450	£99,665	£99,665	£96,450	£47,585	£46,050	£99,665	£47,585	£42,980	£47,585	£869,395
Cost of sales (accomm)		£825	£1,587	£1,536	£1,587	£1,587	£1,536	£1,587	£1,536	£1,587	£853	£770	£853	£15,844
Total wages & salaries	2% cost of living increase	£14,462	£14,462	£14,462	£14,462	£14,462	£14,462	£14,462	£14,462	£14,462	£14,462	£14,462	£14,462	£173,546
Total core costs	3% inflation	£4,313	£4,313	£4,313	£4,313	£4,313	£4,313	£4,313	£4,313	£4,313	£4,313	£4,313	£4,313	£51,751
VAT liability		£15,504	£33,817	£32,704	£33,817	£33,817	£32,704	£17,418	£16,835	£33,817	£16,043	£14,425	£16,043	£296,946
<b>Total Expenditure</b>		<b>£81,154</b>	<b>£153,844</b>	<b>£149,465</b>	<b>£153,844</b>	<b>£153,844</b>	<b>£149,465</b>	<b>£85,365</b>	<b>£83,195</b>	<b>£153,844</b>	<b>£83,256</b>	<b>£76,950</b>	<b>£83,256</b>	<b>£1,407,482</b>
Monthly Profit or loss		<b>-£246</b>	£18,629	£17,444	£18,629	£18,629	£17,444	£5,114	£4,365	£18,629	£349	<b>-£1,436</b>	£349	£117,898
Balance carried forward		<b>-£246</b>	£18,383	£35,827	£54,455	£73,084	£90,528	£95,642	£100,007	£118,636	£118,985	£117,549	£117,898	
NB - Winter loss can be ameliorated by a reduction in staffing														

Year four														
Target opening date		2026												
		Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Year Total
<b>Income</b>	<b>notes</b>													
Income from bar and restaurant	Levels out from here	£73,145	£161,481	£156,272	£161,481	£161,481	£156,272	£75,583	£73,145	£161,481	£75,583	£68,268	£75,583	£1,399,770
Income from accommodation	Levels out from here	11616	19205.12	18585.6	19205.12	19205.12	18585.6	19205.12	18585.6	19205.12	12003.2	10841.6	12003.2	£198,246
<b>Total income</b>		<b>84760.5</b>	<b>180686</b>	<b>174857.1</b>	<b>180686</b>	<b>180686</b>	<b>174857</b>	<b>94788</b>	<b>91730</b>	<b>180686</b>	<b>87586</b>	<b>79110</b>	<b>87586</b>	<b>£1,598,017</b>
<b>Expenditure</b>														
Cost of sales (food and drink)		£46,050	£99,665	£96,450	£99,665	£99,665	£96,450	£47,585	£46,050	£99,665	£47,585	£42,980	£47,585	£869,395
Cost of sales (accomm)		£825	£1,587	£1,536	£1,587	£1,587	£1,536	£1,587	£1,536	£1,587	£853	£770	£853	£15,844
Total wages & salaries	2% cost of living increase	£14,751	£14,751	£14,751	£14,751	£14,751	£14,751	£14,751	£14,751	£14,751	£14,751	£14,751	£14,751	£177,017
Total core costs	3% inflation	£4,442	£4,442	£4,442	£4,442	£4,442	£4,442	£4,442	£4,442	£4,442	£4,442	£4,442	£4,442	£53,303
VAT liability		£16,275	£35,460	£34,294	£35,460	£35,460	£34,294	£18,280	£17,669	£35,460	£16,840	£15,144	£16,840	£311,473
<b>Total Expenditure</b>		<b>£82,343</b>	<b>£155,905</b>	<b>£151,473</b>	<b>£155,905</b>	<b>£155,905</b>	<b>£151,473</b>	<b>£86,646</b>	<b>£84,448</b>	<b>£155,905</b>	<b>£84,471</b>	<b>£78,088</b>	<b>£84,471</b>	<b>£1,427,033</b>
Monthly Profit or loss		£2,418	£24,780	£23,384	£24,780	£24,780	£23,384	£8,142	£7,282	£24,780	£3,115	£1,022	£3,115	£170,984
Balance carried forward		£2,418	£27,198	£50,582	£75,362	£100,143	£123,527	£131,669	£138,951	£163,731	£166,847	£167,869	£170,984	
NB - Winter loss can be ameliorated by a reduction in staffing														

Year five														
Target opening date		2027												
		Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Year Total
<b>Income</b>	<b>notes</b>													
Income from bar and restaurant	Levels out from here	£73,145	£161,481	£156,272	£161,481	£161,481	£156,272	£75,583	£73,145	£161,481	£75,583	£68,268	£75,583	£1,399,770
Income from accommodation	Levels out from here	11616	19205.12	18585.6	19205.12	19205.12	18585.6	19205.12	18585.6	19205.12	12003.2	10841.6	12003.2	£198,246
<b>Total income</b>		<b>84760.5</b>	<b>180686</b>	<b>174857.1</b>	<b>180686</b>	<b>180686</b>	<b>174857</b>	<b>94788</b>	<b>91730</b>	<b>180686</b>	<b>87586</b>	<b>79110</b>	<b>87586</b>	<b>£1,598,017</b>
<b>Expenditure</b>														
Cost of sales (food and drink)		£46,050	£99,665	£96,450	£99,665	£99,665	£96,450	£47,585	£46,050	£99,665	£47,585	£42,980	£47,585	£869,395
Cost of sales (accomm)		£825	£1,587	£1,536	£1,587	£1,587	£1,536	£1,587	£1,536	£1,587	£853	£770	£853	£15,844
Total wages & salaries	2% cost of living increase	£15,046	£15,046	£15,046	£15,046	£15,046	£15,046	£15,046	£15,046	£15,046	£15,046	£15,046	£15,046	£180,558
Total core costs	3% inflation	£4,575	£4,575	£4,575	£4,575	£4,575	£4,575	£4,575	£4,575	£4,575	£4,575	£4,575	£4,575	£54,902
VAT liability		£16,275	£35,460	£34,294	£35,460	£35,460	£34,294	£18,280	£17,669	£35,460	£16,840	£15,144	£16,840	£311,473
<b>Total Expenditure</b>		<b>£82,771</b>	<b>£156,333</b>	<b>£151,902</b>	<b>£156,333</b>	<b>£156,333</b>	<b>£151,902</b>	<b>£87,074</b>	<b>£84,876</b>	<b>£156,333</b>	<b>£84,899</b>	<b>£78,516</b>	<b>£84,899</b>	<b>£1,432,172</b>
Monthly Profit or loss		£1,989	£24,352	£22,956	£24,352	£24,352	£22,956	£7,714	£6,854	£24,352	£2,687	£594	£2,687	£165,844
Balance carried forward		£1,989	£26,341	£49,297	£73,649	£98,001	£120,957	£128,671	£135,525	£159,877	£162,564	£163,157	£165,844	
NB - Winter loss can be ameliorated by a reduction in staffing														