



Business Plan for the development of Kinloch Rannoch Outdoor Centre into a Community & Social Hub



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Executive Summary

Introduction

This Business Plan has been produced by Rannoch Community Trust in support of a community asset transfer of Kinloch Rannoch Outdoor Centre and its development as a community and social hub for people who live, work and spend time in Rannoch. The Plan describes the need and support for a community hub, how the Outdoor Centre will fulfil that need and the benefits and outcomes that will be delivered, and how it will be managed, funded and become financially sustainable.

Rannoch Community Trust

Rannoch Community Trust (RCT) was formed in January 2017 to take forward the community plan for Rannoch and Tummel – *Developing Rannoch's Sustainable Future*. RCT is a registered charity and company limited by guarantee and is a membership based organisation with full membership open to anyone whose main residence is within the boundaries of the former Rannoch and Tummel Community Council area. RCT has a board of six directors all of whom live in Rannoch.

Background and Context

Rannoch is a community in Highland Perthshire of approximately 750 people spread over an area that stretches 25 miles from Tummel Bridge in the east to Rannoch Station in the west. The main centres of population are in Kinloch Rannoch and Tummel Bridge. It is geographically remote with very limited public transport and limited access to public services. Permanent jobs opportunities are scarce as traditional industries have either declined or sub-contracted out work to firms from outside Rannoch. Most employment is to be found in tourism and hospitality which tends to be seasonal and low paid. Affordable housing is also in short supply. As a consequence, there has been a decline in young families and those of a working age who live in the area.

Despite these challenges Rannoch has a vibrant community life with over 25 different active community groups and clubs. In 2015/16 the community came together to commission a community plan – 'Developing Rannoch's Sustainable Future' - to arrest the decline and put in place actions that would strengthen the areas community, social and economic prospects. One of the main priorities that emerged from the extensive community consultation that informed the development of the plan was a need for a community hub.

When Perth & Kinross Council decided to put the former Outdoor Centre in Kinloch Rannoch up for sale the board of RCT recognised that this was a real opportunity for a community hub to become a reality. Consultation with the community has demonstrated high levels of support for both the proposal for a community asset transfer of the Outdoor Centre and its development as community hub and for the proposed range of services and facilities that it will provide.

Project Vision, Services and Facilities

The former Outdoor Centre has the potential to be developed into a multi-purpose community owned and managed facility that will strengthen social cohesion and combat social isolation, strengthen and support community life and activities, and help foster economic activity and employment opportunities. The Hub will do this by providing the following:

- A space for social and community activities for all ages including a community pub serving affordable food and drink.

- Meeting and office space for community groups and local small businesses
- A base or facility that will enable public services such to have a presence as and when required including office and sleep-over space for homecare workers and other social care staff.
- Local employment and employment training opportunities.
- Affordable bunkhouse type accommodation particularly for people who come to Rannoch for walking, cycling, water sports and other outdoor pursuits.
- Visitor services including tourist information, public toilets, and changing facilities.
- Community Cooking Classes and access to catering facilities for community events (e.g. Time for Lunch and potentially a meals delivery service for older frail and vulnerable residents).
- An outlet for the sale of local produce and crafting goods.

Management and Staffing

The Hub will be owned and managed by RCT with management of its day to day operations and trading activities delegated to a wholly owned trading subsidiary company. The intention is to keep running costs to a minimum and use a combination of paid staff and volunteers to deliver services. The staffing establishment will consist of:

1 Part-time Manager – 25 hours per week

4 -5 Part-time bar staff – 49.5 hour a week

1 Chef – 33hrs per week

Part-time Cleaners – 17.5 hours per week

1 Admin Assistant – 7 hours per week

The Building

The Outdoor Centre, formerly the Old School House, is an old stone-built building that lies just outside the centre of Kinloch Rannoch. According to the property condition survey commissioned by the RCT, the building is essentially sound but is in need of some essential repairs and backlog maintenance estimated to cost in the region of £47,000. In addition, the internal layout will need some remodelling and upgrading to support its new use and functions although these have been kept to what is strictly necessary to allow the building to operate effectively and safely. An outline design of the new internal layout has been drawn up and a budget of £100,000 has been earmarked for this work. The market value of the property according to the District Valuer is £100,000.

Funding and Financial Viability

Capital Funding

Given the need for essential repairs and other building works, plus the anticipated benefits of bringing the building into community use the RCT are proposing an offer price of £75,000. The total capital budget, covering purchase price, repairs and building works, fixtures and fittings, fees and contingency, is £346,680

This will be raised through restricted and unrestricted income from the following sources:

1. Securing funds from the Scottish Land Fund at rate of up to 95% of acquisition including fees and other associated costs.
2. Identifying, qualifying and approaching Major Private Donors and/ or Business Sponsorship in local area raising £146,000.
3. Identifying Trusts and Foundations that will support a capital appeal and repair works for the building raising £100,000.
4. Raise remainder balance of £25,680 through small gifts – crowdfunding, name a brick appeal, 500 Club, membership, etc

Revenue Funding

A five-year income and expenditure budget has been prepared. Over the five years it is forecast that operating costs will be £157,287 in Year 1 rising to £200,535 by Year 5. These costs will be met through trading income generated by the sale of food and drink in the pub/café, bunkhouse style guest accommodation and meeting and office space hire. Income for the first year is forecast to be £153,315 in Year 1 rising to £207,456 in Year 5 giving a deficit outturn position of £3972 in the first year of operation before moving into a surplus in Year 2 and the following years with a forecast profit of £6,921 in Year 5.

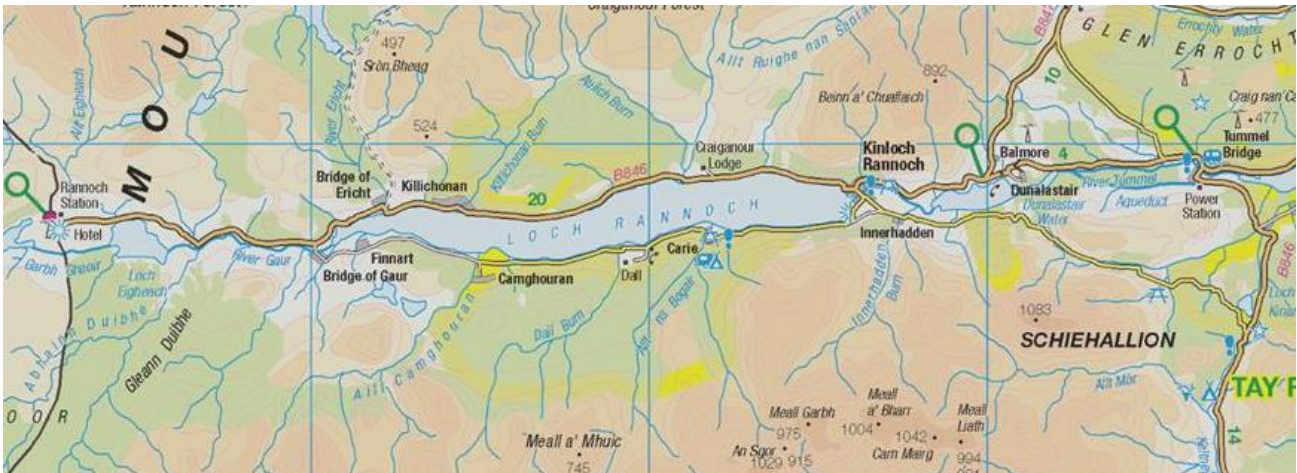
1 Introduction

This business plan has been developed in support of a Community Asset Transfer request by Rannoch Community Trust to take ownership of Kinloch Rannoch Outdoor Centre and develop it into a community and social hub. The need for a multi-purpose community hub was identified as the top priority during the development of a community action plan back in 2015 and this business plan will demonstrate how the Outdoor Centre can be developed to meet this need on a sustainable self-financing basis.

2 Background

2.1 About Rannoch

Rannoch is a remote community located in the north-west corner of the Perth & Kinross Council area. It has a small population of approximately 750 people mainly living in two small villages and a number of even smaller hamlets spread across a large geographical area spanning Tummel Bridge in the east to Rannoch Station in the west, a distance of over 25 miles.



The drive from Kinloch Rannoch, the central geographic point of the Rannoch area and the main centre of population, to Pitlochry and Aberfeldy takes approximately 45 minutes with large parts of it on single track road. Access further west along Loch Rannoch and out to Rannoch Station is by single track road. Public Transport is limited with five services to Pitlochry on weekdays, 3 services on Saturday and none on Sunday; there are no direct bus services to Aberfeldy. Rannoch is in the top 5% of the most access deprived areas in Scotland according to the Scottish Indices of Multiple Deprivation.

The number of people in Rannoch working in forestry and hydro schemes which have traditionally been sources of local employment have declined significantly in recent years and the closure of the Rannoch School in 2002 and of the Smokery in 2019 has contributed to a further loss of permanent year round employment. Tourism and the hospitality sector now provides the main source of employment although much of this is seasonal and low paid. However, the area does have a significantly higher percentage both of people who are self-employed 17% and of people who are working from home -15.8% of the working population, compared to the figures for Scotland as a whole of 8% and 10.8% respectively demonstrating a more resilient community. Nevertheless, the decline in permanent employment has led to a population that is both declining and getting older with significantly more people over the age of 65 year - 23.1% compared to 17.8% nationally and less children – 13% against 17%.

Despite the challenges of being a small remote rural community Rannoch has a thriving community life with over 25 different community groups and with a busy and well supported programme of community and social events throughout the year largely due to the commitment, energy and skills of volunteers.

2.2 Rannoch Community Trust

Rannoch Community Trust (RCT) was formally established in January 2017 to take *forward 'Delivering Rannoch's Sustainable Future'* a community action plan developed in 2015 following extensive community consultation. RCT is a private company limited by guarantee and a registered Scottish charity and its boundaries are those of the former community council extending from Tummel Bridge in the east to Rannoch Station in the west. Our stated objectives are:

- (1) The advancement of community development (including the advancement of rural regeneration) within the Community;
- (2) The relief for those in need by reason of age, ill-health, disability financial hardship, other disadvantage or inequality by the provision of services and activities for their social welfare;
- (3) The provision of recreational facilities, or the organisation of recreational activities, for the community, the surrounding area and the public;
- (4) The promotion of the advancement of environmental protection or improvement for the public benefit;
- (5) The advancement of the arts, heritage, culture or science.

Full membership which includes voting rights is open to all who live in the area covered by the Trust and associate membership is available to anyone who supports the objectives and work of the Trust. Currently there are 129 members of whom 92 are full members, and a Board of six directors.

Since its inception RCT have delivered the following:

- Secured funding to support the establishment of a Befriending Service – this has now evolved into a broader community support project
- Worked with Kinloch Rannoch and Georgetown Halls to secure funding to upgrade the buildings and buy new equipment.
- Commissioned energy efficiency audits for Kinloch Rannoch and Kynachan Halls
- Set up and run a new weekly youth club.
- Worked with Kinloch Rannoch Primary School to extend provision for families with children through a weekly parents and toddlers group with a paid sessional worker – Little Acorns – and will soon launch a Saturday morning club for families with children between the ages of 0-10 years
- Secured funding to reimburse Volunteer Drivers the expenses they incur from transporting local people to hospital and other health and social care appointments.
- Secured funding for a technical assessment on the options for improving access to superfast broadband
- Worked with Rural Housing Scotland to carry out a Housing Needs Analysis.
- Secured funding for and commissioned an affordable housing feasibility study (this work is still on-going).
- Provided support to the Paths and Open Spaces Group and their work in extending the network of accessible paths in Rannoch and Tummel.
- Issue regular email bullet-ins publicising community and social events and an e-newsletter giving updates on the work of the Trust and other community groups.
- Taken the lead through the Co-ordinator for Community Support in organising food deliveries and provision of cooked meals for elderly, frail and vulnerable residents in Rannoch during the Coronavirus pandemic.

One of the main priorities, if not the main priority, identified in the Community Plan was to 'develop a multi-purpose community managed hub which will meet the needs of local residents, visitors and tourists and help deliver 'social, economic, community cohesion and heritage/tourism outcomes'. Much of RCT's energy has been spent on trying to make this aspiration a reality with the main obstacle being a lack of a suitable building or plot of land which could be developed into a community hub. However, the availability of the

Outdoor Centre now provides potentially the most feasible and realistic opportunity for delivering on this priority.

3 Project Proposal

3.1 The Building - Kinloch Rannoch Outdoor Centre

The former Outdoor Centre is located in the Old School and Schoolhouse to the north of Allt Mor Place on the B846 - a detached one and a half storey stone building that is over 100 years old. The building is owned by Perth & Kinross Council and up until the early part of 2019 the building was run as an Outdoor Centre by Live Active Leisure although in recent years usage has been low. Following Live Active Leisure's decision to close the centre in February 2019, Perth & Kinross Council decided to dispose of the building by putting it up for sale.

The Board of RCT had been looking for potential sites or buildings for a community hub and decided to submit an expression of interest in taking ownership of the building through the Community Asset Transfer process. An on-line poll held in August 2019 and discussion at the Trust's AGM (see Appendix 1) for poll results and AGM minute) in September 2019 indicated strong support amongst the community in developing the Outdoor Centre as community hub. A meeting subsequently took place with officers from Perth & Kinross Council at which the Board outlined their proposal for the building and were then invited to submit a Stage 2 Asset Transfer application.

3.2 Long Term Vision

RCT believe that the Outdoor Centre can be developed into a financially self-sustaining, multi-purpose community and social hub that will provide and support a range of services and activities for the people of Rannoch and visitors to the area. Services and facilities that will be provided from the new hub include:

- A space for social and community activities for all ages including a community pub serving affordable food and drink.
- Meeting and office space for community groups and local small businesses
- A base or facility that will enable public services such to have a presence as and when required including office and sleep-over space for homecare workers and other social care staff.
- Local employment and employment training opportunities.
- Affordable bunkhouse accommodation particularly for people who come to Rannoch for walking, cycling, water sports and other outdoor pursuits.
- Visitor services including tourist information, public toilets, and changing facilities.
- Community Cooking Classes and access to catering facilities for community events (e.g. Time for Lunch and potentially a meals delivery service for older frail and vulnerable residents).
- An outlet for the sale of local produce and crafting goods.

3.3 Impact – Benefits and Outcomes

The key benefits and outcomes that will be delivered by the Community Hub and how these relate to both the Perth & Kinross Community Plan 2017-27 and the Highland and Strathclyde Action Plan are detailed in the table below.

| Benefits | Outcome | PKC Community Plan Objectives | Highland & Strathtay Action Plan Key Issues |
|--|---|--|---|
| The building is owned and managed by the community who invest in improving and maintaining it. | An under-used public building is brought back into community use | Creating a safe and sustainable place for future generations | |
| The Hub will provide an informal space for people to meet and socialise and a venue for social activities such as quiz and games nights. | Social cohesion is strengthened and social isolation is reduced | Creating a safe and sustainable place for future generations. Supporting people to lead independent, healthy and active lives | People who live in Highland and Strathtay experience social isolation and loneliness |
| The community pub will provide affordable food and drink. | Local access to affordable eating and drinking in a social context will be increased. Visitors will be more likely to stay and spend money in Rannoch. | Creating a safe and sustainable place for future generations | People who live in Highland and Strathtay experience social isolation and loneliness |
| The Hub will improve access to healthy eating by providing cookery classes, and access to catering facilities for community groups who provide meals e.g. Time for Lunch group | Vulnerable households have improved access to healthy eating. Community resilience and self-reliance, particularly in times of crisis/emergency, is strengthened | Creating a safe and sustainable place for future generations. Supporting people to lead independent, healthy and active lives | Low incomes and child poverty affect people living in the area. People who live in Highland and Strathtay experience social isolation and loneliness |
| The hub will provide access to the internet with wi-fi and superfast broadband | Local people who have poor or no broadband will be able to access the internet. | Promoting a prosperous, inclusive and sustainable economy | People who live in Highland and Strathtay experience social isolation and loneliness |
| Community groups will have a space to have meetings and access to serviced shared office space. | Community capacity and capability will be increased | Supporting people to lead independent, healthy and active lives | |
| Local start-ups and small businesses will have access to meeting and office space | Local economic activity will be increased and supported. Families and young people are more likely to remain in Rannoch | Promoting a prosperous, inclusive and sustainable economy | |

| | | | |
|---|---|---|--|
| The hub will provide opportunities for permanent employment, employment training and volunteering opportunities. | Local employability is increased. Families and young people are more likely to remain in Rannoch. Community capacity and capability is increased. | Promoting a prosperous, inclusive and sustainable economy | Low incomes and child poverty affect people living in the area |
| The bunkhouse will provide accommodation for visitors of a type and price that is not currently catered for in Rannoch | The tourist economy is supported as the number of people who visit, stay and spend money in Rannoch increases. | Promoting a prosperous, inclusive and sustainable economy | |
| Visitors will have access to a range of services that are currently not provided in Rannoch (e.g. tourist information, changing facilities, toilets etc...) | The tourist economy is supported as the number of people who visit, stay and spend money in Rannoch increases | Promoting a prosperous, inclusive and sustainable economy | |
| The hub can provide a base for delivery of services by other organisations e.g. social care, welfare/money advice, Police, Councillor surgeries | Access to services is improved. | | It is difficult for people to access local services and activities. Low incomes and child poverty affect people living in the area. |

4 Governance and Management

4.1 Governance Structure

Rannoch Community Trust is a company limited by guarantee and a registered Scottish charity. Although this structure has a number of advantages including charitable rates exemption, the ability to claim Gift Aid on donations from eligible donors, and access to funding from charitable trusts that only fund registered charities, it does come with some limitations on income generation particularly trading or business activities. Under charity law, charities cannot engage in commercial activities which might put charitable assets at risk. OSCR's main concern is the protection of charitable assets and ensuring that activities undertaken by charities are within their charitable objectives. Although further advice is being sought as to what type of charity trading the proposed income generating activities will be regarded as, the assumption for business planning purposes is that they are non-primary purpose trading that will require the establishment of trading subsidiary.

Advice has been taken on the most appropriate legal form for a trading subsidiary and a private limited company wholly owned by RCT in the shape of a company limited by shares would be the preferred option. Under this model RCT would own 100% of the shares of the subsidiary company and have primary responsibility for overall control and supervision of the subsidiary and its activities including the power to appoint and remove directors. This model would reduce the Trusts exposure to risk by limiting its liability for any debts owed by the subsidiary to the amount it was due to pay the subsidiary company for its shares which in this context are normally nil. Community ownership and control would be assured as RCT, the sole

shareholder, is a membership organisation with voting members (those with full membership) drawn exclusively from people who are permanently resident in Rannoch.

Although RCT would have overall control of the trading subsidiary it would not have involvement in the detail of its day to day operations. Operational responsibility for day to day trading activities would lie with the directors of the subsidiary company. It is likely that the number of directors of the subsidiary would be limited to three, one of whom would be a director of the Rannoch Community Trust and the other two appointed by RCT on the basis of possession of relevant skills and experience. Any pre-tax profits made by the subsidiary company would be donated to RCT as Gift Aid payments thereby avoiding corporation tax.

4.2 Board Capacity

The board is made up of six Directors who are passionate about Rannoch and ensuring it's future sustainability as a place to work, live and visit. The Board believe a strong, resilient and dynamic community life is critical to ensuring that Rannoch continues to be an attractive and welcoming place to live for all which is why the development of a community hub is seen so as important. The Board Directors all live in Rannoch and bring with them a diverse and relevant set of skills, knowledge and experience including:

- Accountancy and financial management
- Governance - serving as trustees or directors
- Owning and running successful businesses
- ICT and website design and management
- Marketing
- Management and organisation
- Securing funding
- In depth knowledge and understanding of Rannoch

The board will expand its capacity by drawing on the wealth of experience, knowledge and commitment of the many people who are actively involved in the community life of Rannoch as evidenced by the number of active community groups. In the survey carried out in February 2020, 40 people indicated an interest in becoming involved in the development and running of the community hub who also offer a wealth of skills, experience and useful connections including:

- Project management
- Working in the hospitality sector including links at a senior level to the drinks industry
- Fundraising
- Book-keeping
- Catering

Based on the experience of other similar community led projects a list of relevant skills and experience needed to help take forward the transfer and development of the Outdoor Centre has been compiled and cross referenced with skills and experience possessed by board members and volunteers to create a skills matrix which can be found in Appendix 2. The skills audit demonstrates that amongst the board and volunteers that are people with skills and experience in all the relevant areas but with particular strengths in running a business, financial management and fund-raising.

In the first instance the board will be looking to set up a fund-raising group to work with project officers on raising funds both locally and nationally. The board will also prioritise the recruitment of local people with relevant skills and experience to be directors of a 'shadow' board of the trading subsidiary. People will also be offered the opportunity to further develop the skills and knowledge need to run the Hub and it's trading activities through attendance at workshops, conferences and other events provided by organisations such as DTAS, Social Enterprise Scotland, Co-operative Development Scotland and the Plunkett Foundation.

The Board will also use the opportunity provided by engaging with and involving volunteers in the development of the hub to recruit new Directors of the Trust to ensure that it is able to provide community leadership for the project in the long-term.

4.3 Staffing

While the leadership, governance and oversight of the community hub will continue to be provided by volunteers drawn from the community it is recognised that the hub and its trading activities will require a dedicated staffing resource to manage and deliver day to day operations. According to the Plunkett Foundation most community pubs employ a mix of full and part-time staff. In a survey carried out by the Plunkett Foundation in 2018¹, 60% of those responding employed two or more full time staff with majority employing between 5 and 8 part-time staff. Research into community pubs commissioned by Power to Change² also identified a reliance paid staff to provide day to day, front of house services with numbers varying between one or two full time staff and between 5 to up to 25 part-time staff. Mindful of the need to both provide a professional service and to keep running costs to a minimum the initial staffing resource will be as follows:

- Hub Manager – 25 hours per week. Responsible for overall management of trading activities, staffing, volunteers, day to day financial management, and business development/marketing, liaison with and reporting to the board of the trading subsidiary
- Bar Staff – 4-5 Part-time posts working between 10 – 12.5 hrs per week. Responsible for serving customers and assisting in the kitchen as required
- Chef – Part-time. Planning, preparation and cooking of community pub/cafe meals and snacks,
- Admin – 7 hours per week. Admin support to Hub Manager
- Cleaner – 17.5 hours per week

4.4 Volunteers

As previously discussed, volunteers will be heavily involved in the development phase of the community hub and in the on-going governance and oversight. It is also anticipated that there will be opportunities for volunteers to work in the hub in range of roles from welcoming guests and visitors, providing tourist information, helping in the kitchen and serving customers in the pub and at Hub events.

4.5 Employment Trainees

One of the benefits that the Hub will deliver through its trading activities will be employment and employment training opportunities. RCT and its trading subsidiary will seek to create employment training opportunities in catering and hospitality at the Hub particularly for young people. Contact has been made with Community Jobs Scotland, Developing the Young Workforce (DYW) – Perth & Kinross, and Skills Development Scotland about the possibility of employment placements or Modern Apprenticeships. So far Community Jobs Scotland and DYW have responded and are supportive in principle or would be interested in discussing possible placements nearer the time (Contact was made with the during early March as Coronavirus Pandemic restrictions were taking effect and this may account for the lack of response from the Skills Development Scotland.)

4.6 Monitoring and Evaluation

The aim of this business plan is to ensure that the hub becomes a robust, sustainable enterprise that will deliver the objectives of the trust and associated outcomes. This project is rooted in the needs and aspirations of the community of Rannoch.

RCT's organisational development plan and the Hub business plan will form the basis for the ongoing monitoring and evaluation process to ensure objectives and outcomes are met as well as build long-term sustainability.

¹ Community Pubs – A better form of business – Plunkett Foundation 2019

² Research Institute Report No. 5 – 'What works: Successful Community Pubs' – Power to Change 2017

What we will do:

- Engage the community and recruit volunteers to develop the project
- Run Volunteer Recruitment drives
- Secure funding to recruit a Project Officer to oversee the Capital appeal, support the board and volunteers during the building renovations and the transition to an operational community hub.
- Determine the ongoing needs of the community through the development and facilitation of focus groups.
- Recruit any necessary staff & volunteers for the Hub
- Review skills and identify any training needs of volunteers
- Source external training as required
- Build on current connections with local community, businesses, donors.
- Build evidence of our impact through the creation of surveys, focus groups, etc...
- Set specific milestones and targets for the project
- Put systems in place to ensure that progress is monitored and evaluated on an on-going basis.

Project staff and volunteers will report on progress in meeting milestones and targets to the board of the trading subsidiary who in turn will be accountable to the Board of RCT for performance including financial performance.

We will meet the following outcomes:

1. Increase community cohesion and reduce social isolation of the Rannoch & Tummel community.
2. Increase local employment opportunities and business facilities, reducing the exodus of young people from the area.
3. Increase public services and facilities for the local community, surrounding area and visitors to the area.

We will know we will have achieved this if:

1. We acquire the building and renovate it for community use.
2. 80% of Rannoch & Tummel Community visit the Hub or access the services and activities provided by the Hub.
3. The local community reports feeling less isolated and more connected.
4. The local community reports having increased health & well-being.
5. Young people engage more with the centre and the wider community.
6. We employ 2-3 people from the local area and broaden volunteer opportunities leading to employment.
7. 60% of visitors to the local area make use of the Hub and its facilities.

Evidence will be sought from the following:

- Effective management,
- Case Studies;
- Observations;

- Smart Survey;
- Artwork, stories and poems;
- Photos, video and voice clips;
- Newsletters;
- Minutes of meetings;
- Focus Groups;
- Artefacts (screenshots, documents, policies etc.);
- Successfully involving volunteers;
- Database of people joining as members including professionals.
- Sign in sheets, monitored by reception staff, recording basic information about individual users, what services they are using and where they are from. This information will be kept to a minimum.
- Financial records from trading activities.
- Number of accommodation bookings, room hires and events (and numbers attending)
- Periodic evaluations done informally with impact sheets discussed with customers and users.
- A confidential yearly users' survey will be used to record both quantitative and qualitative data.
- A regular stakeholder survey will complement this.
- A User Group forum will be established to operate as a reference group, reflecting impact back to the board.

Monitoring of Outcomes.

The RCT board is committed to evaluating the success of the work and to promoting both success and learning. RCT will review and develop indicators for monitoring the outcomes and wider impact of the Hub on an ongoing basis. This will ensure that the project measures its impact on social cohesion and isolation, community capacity and capability, employment and employability, the tourist economy and economic activity, families and young people, and access to services. It will also ensure targets, timescales and outcomes are being met, adapting as need be and also build an evidence base for future work/ funding.

5 Evidence of Need and Demand

The creation of the Hub will add significant value to the community and help to address the many challenges that we face within our isolated rural community, including:

- An aging population, social isolation & loneliness.
- Lack of local activities and facilities for children and young people.
- Limited local employment opportunities and business facilities.
- The exodus of talented young people from the area.
- Lack of public services and facilities to promote visitors to the area.
- Lack of affordable accommodation for more transient tourism.
- Limited access to reasonably priced venues for consumables in the area.

RCT believe this project has the potential to reverse trends of economic decline and poor accessibility (currently in most deprived 5% for Geographic Access³) in the area through a more intensive use of local assets leading to better stewardship and improved services by the community. It will enable Rannoch Community Trust to move towards self-sufficiency, generating our own income. The potential customers of the Hub fall within the following categories, in order of priority and opportunity:

1. Inhabitants of Rannoch and the surrounding area.
2. Guests staying in the Hub bunkhouse
3. Residents of B&Bs, guest houses, cabins, holiday cottages, hotels, timeshares and conference facilities.
4. Passing tourists and visitors.

Our local customers will also be our members, so we will be receiving direction and support on an ongoing basis to ensure that our facility, services, food, drink and prices meet their needs. This will be their Hub and it is hoped that the Rannoch Community Hub will become the heart of the community providing people with somewhere to meet, work and also be a popular venue for tourists taking advantage of the many walks in an area of outstanding natural beauty.

5.1 Existing Local Amenities

There is a shop and post office. There are no meeting rooms or office space hire available in Rannoch or the surrounding area. The village hall is available however it is currently so oversubscribed that the village hall committee struggle to meet there.

There is also currently no pub in Rannoch. The nearest thing to a pub is the Schiehallion Bar in the MacDonalds Loch Rannoch Hotel on the outskirts of the village. Places to eat and stay are limited particularly for those on a budget (see Section 6 – Market Analysis). The vision for the Rannoch Community Hub Pub is one complementing the current facilities available and enhancing these, increasing local spend to invest in the local economy and reinvesting it in our community, and ultimately building long-term sustainability.

5.2 Community Support.

In 2015 the Rannoch and Tummel Community Funding Group (the precursor to Rannoch Community Trust) commissioned Community Enterprise to help develop a community plan based on extensive community engagement and involvement. In the various workshops, meetings and interviews people listed many positives about living in Rannoch including its outstanding natural environment and strong community spirit but also identified things that were missing including:

- A community hub,
- Places to eat
- A pub
- Facilities for visitors including public toilets and accommodation (other than expensive hotels and holiday homes)
- Accessible services, particularly for older people and young families
- Job opportunities.

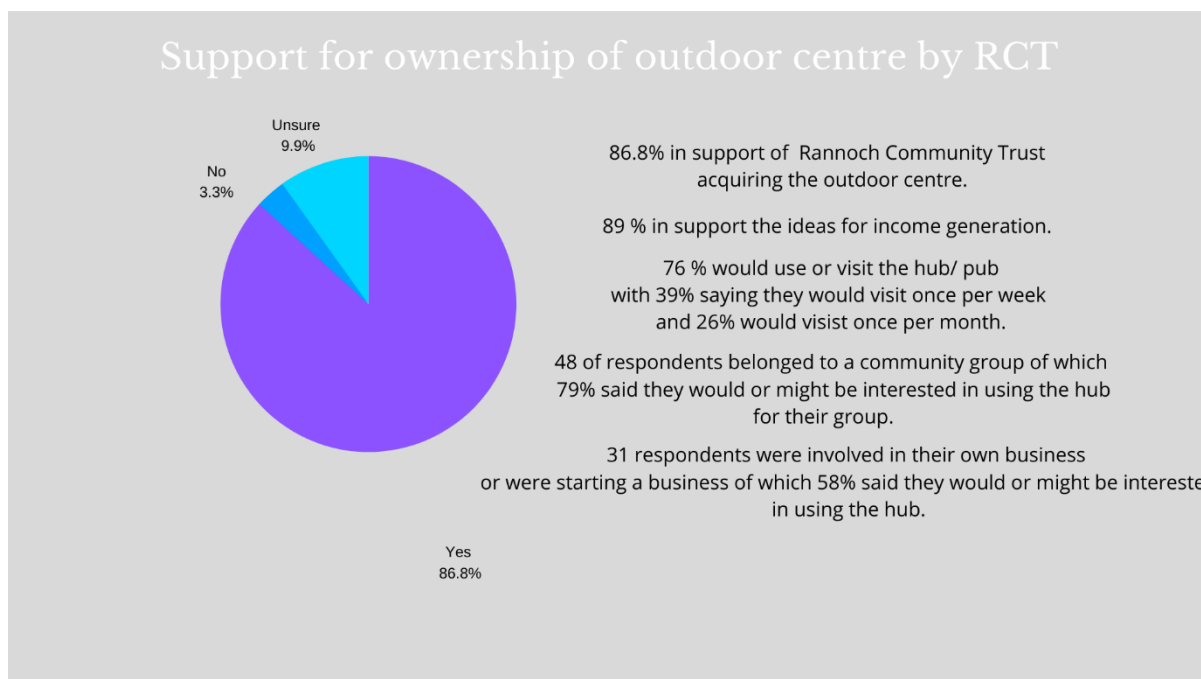
The detailed report that accompanied the plan stated that ‘the concept most universally demanded across all research methods was the better use of community space’ and ‘the desire for a community hub which will be the beating heart of the community’. Consequently, the development of ‘a multi-purpose community managed hub that will meet the needs of visitors and tourists alike with social, economic, community

³ <https://simd.scot/#/simd2020/BTTTTFTT/12/-4.2811/56.6802/>

cohesion and tourism/heritage outcomes’ emerged as one of the top actions in the resulting community plan – ‘Delivering Rannoch’s Sustainable Future’.

In September 2019, the local community was consulted using Survey Monkey. The poll was emailed to 221 recipients, of that 119 opened the email (53%) with 71 votes cast - 64 in favour (90.1%) and 7 against (9.9%). Further at the September 2019 AGM, the Chairman asked those present if they supported the purchase of the Rannoch Outdoor Centre as a social hub/pub. On a show of hands, the project was supported unanimously (five abstentions were noted).

Further consultation was undertaken during February 2020 online and face to face. A consultation event was held on Saturday 22nd February at the Outdoor Centre where people were invited to see the premises and put forward their views. 40 people attended and engaged very positively with the Rannoch Community Trust representatives. Please see Appendix 3 for the results of the February 2020 consultation survey.



The online consultation was emailed to 236 recipients plus hard copies were distributed via the village shop, health centre and Time for Lunch club. A total of 89 responses were received with 86.8% of respondents supporting Rannoch Community Trust acquiring the Outdoor Centre and turning it into a community hub and 89% in favour of providing a pub, guest accommodation and meeting and office facilities as ways of generating income. The consultation asked stakeholders for suggestions of how the hub should be used and how it could sustain itself. This led to some interesting suggestions but also supported previous community consultations on the need of the area.

| | |
|---|--|
| What should the hub be used for? | <ul style="list-style-type: none"> • Outdoor and water-based activities • Heritage Centre/museum • Lending library • Space for young people • Themed food events/pop up restaurant • Internet cafe |
|---|--|

| | |
|--------------------------------------|--|
| | <ul style="list-style-type: none"> • Tourist Information • Crafter events |
| How could we generate income? | <ul style="list-style-type: none"> • Camper van/motorhome facilities • Printing/scanning/photocopying • sale of local crafting products and other goods • Space for a hairdresser • Gift shop • Outside catering • Amazon Lockers • Cycle & canoe hire/repairs • Yoga/meditation/mindfulness retreats |

5.3 Social isolation and community cohesion.

Social Isolation and loneliness is now considered a major public health issue with research suggesting it increases the risk of a wide range of physical and mental health problems. Scottish Government⁴ identified four key themes as contributing to social isolation and loneliness – transportation (lack of), housing, public spaces and digital technology. The Rannoch and Tummel area is affected by all four of these issues. In particular, the lack of transport or poor transport links can isolate a community, especially those who are more vulnerable. Digital technology is an important and widely used tool for facilitating social connection, but for many outside Rannoch’s main centres of population there is a lack of access to reliable broadband and this can contribute to social isolation and loneliness.

The research however identified community centres as essential to facilitating social connections. A thoughtfully designed space that encourages social connecting.

Community Pub

| Need | Outcome |
|---|--|
| Community cohesion and social isolation | <p>Rannoch Community Trust will use the development of the asset to bring local people together to create a stronger, more integrated and cohesive community.</p> <p>The pub will offer affordable food and drinks as well as social events placing itself as a heart for the community where people can meet and mix reducing social isolation.</p> |

⁴ Analysing responses to 'A Connected Scotland' - the Scottish Government's draft strategy to tackle social isolation and loneliness.

| | |
|---|--|
| Limited local employment opportunities and business facilities. | The Outdoor Centre will provide employment opportunities to the local area including a Centre Manager, bar staff and chef. It will also offer training and upskilling opportunities to the local community through training placements and volunteering opportunities. |
| Lack of public services and facilities to promote visitors to the area. | The Outdoor Centre will provide a tourist information point for guests and passing visitors as well as a place for local residents to promote their business and groups. It will also provide public services such as toilets, recycling point and Wi-Fi access. |
| Limited access to reasonably priced venues for consumables in the area. | The pub will provide the community with affordable pub good quality food and drinks that will work in co-operation with the local café. The increased choice in the area of price conscious locally sourced food will further support the local economy, potentially increasing numbers of visitors staying in the area. |

Meeting Rooms/ Venue Hire.

| Need | Outcome |
|---|---|
| Community cohesion and social isolation | <p>Rannoch Community Trust will use the asset as their base.</p> <p>Through the Community Hub and pub, the Rannoch Community Trust hopes to also unify the 25 current individual groups in the area providing them with additional meeting and working space as well as enhance their capabilities to access and secure financial support.</p> <p>The Hub will offer additional meeting space to the spaces currently available in Rannoch, potentially attracting further economic investment in the area.</p> |
| Limited local employment opportunities and business facilities. | <p>The Hub will offer those starting up or those already in business an affordable small space out with their home. Meeting room/ Hot desk space, available on a drop-in basis.</p> <p>It could also offer an element of mentoring provided by volunteers with a relevant business/social enterprise background. The project could attract support from suppliers such as Just Enterprise, Business Gateway and Business Mentoring Scotland which are already free services.</p> |
| The exodus of talented young people from the area. | Training opportunities and work space may retain young people in the area, encourage more creative and self-employed working opportunities and/ or engage a younger demographic to volunteer/ get involved with the hub. |

6 Market Analysis

6.1 Pub – Affordable Food and Drink

Local Market Competition - Options for eating and drinking at an affordable price are limited in Rannoch. Although there are two large hotels in Kinloch Rannoch prices for food and drink are high and clearly aimed at tourists and hotel residents. A two course dinner in the Dunalastair would cost in the region of between £25 – £35 not including wine or other drinks and the Loch Rannoch Hotel charges similar prices. A glass of wine at the Dunalastair costs in the region of £9 and a pint of beer nearly £7. The Schiehallion Bar in the Loch Rannoch Hotel sometimes offer a 10% discount on drinks to locals although as the Hotel is up for sale it is not clear if this arrangement will continue.

There is one café in Kinloch Rannoch – the Riverside Café - which is open between 10.30am – 4.00pm Tuesday – Sunday. The Rannoch Station Tea Room 16 miles to the west is the only other café in Rannoch area and is open from March to October, Saturday – Thursday between 8.30am and 4.30pm. The pub in the hub would offer an additional option for both residents and visitors that is not currently available or has limited availability namely affordable evening meals, lunches for people who want to have glass of wine or beer with their meal, throughout the year.

Pricing – The business plan has assumed an average price of £4.00 for a pint of beer and £5.50 for 175ml glass of wine and £12 for a main course. We checked these prices against similar establishments in terms of either location (Highland), or target market ('adventure seekers'/outdoor sports enthusiasts as well as locals) or ownership (community owned) as well as a popular family pub in Pitlochry and found them to be broadly similar (see Appendix 4 – Market Analysis: Price Comparisons). In January 2020 the average price of a pint in the UK was £3.73 for draught lager or £3.13 for bitter and a glass of wine was £4.02⁵. The average price for a three course pub meal in 2018 was £23.13.

Target Market - Customers for the pub would be drawn from both local residents and visitors. In the community survey 76% of respondents said they would visit the hub/pub and of those 39% would visit it at least once a week. While guests staying in the bunkhouse accommodation would provide an obvious source of custom so would families staying in holiday cottages and at the campsite in Kilvrecht. Day visitors would also be an important source of year round custom with going for a meal being the most popular activity on a day trip according to the most recent tourism fact sheet for Perth & Kinross⁶. Cyclists, walkers and other outdoor sports enthusiasts using the other facilities that the hub will provide such as showers and changing rooms, public toilet, would also be an important source of custom for the pub.

6.2 Accommodation

Local Market Competition - As with food and drink the options for affordable short-stay accommodation in Rannoch are limited. The cost of double room with breakfast in local hotels such as the Dunalastair, Loch Rannoch, Moor of Rannoch and Inn at Tummel range from £105 - £180 per night in winter months to £150 - £182 per night in high season. The recently opened Tighnavon Glamping which provides 4 furnished pods offer a more affordable accommodation option at £80 for a 4 bed pod but requires a minimum stay of two nights. Other than that, the only other budget option is the Kilvrecht campsite 4 miles to the west of Kinloch Rannoch which costs £10 per night but has no electricity or hot water and is only open between April and October. The nearest hostel or bunkhouse accommodation is 20 miles away in Pitlochry or Loch Ossian Youth Hostel which is over 22 miles away and not accessible by car.

Pricing – A survey of the local hostels and bunkhouses (see Appendix 4) showed prices of between £18 - £22 for a bed in a shared room/dormitory, £29.50 - £52 for a private double and £77 - £82 for a family or 4

⁵ ONS CPI time series (MM23)

⁶ Perth and Kinross Factsheet 2018 – Visit Scotland

person room. Although the exact mix of private and shared rooms in the Hub has yet to be determined the business plan assumes an average price of £25 per person per night.

Target Market - VisitScotland has developed a [segmentation model](#) of the UK visitor market. The model identifies groups of consumers or personas and is used by VisitScotland to inform UK marketing strategies. Together with Perth & Kinross Council, Visit Scotland have identified 3 out of the 5 personas as the key visitors to Perthshire:

- Food loving culturalists
- Natural Advocates
- Adventure Seekers

It is the last of these personas – the Adventure Seekers – to whom the accommodation and other facilities offered by the Hub would most appeal. Adventure Seekers tend to be under 35 years old and as the label implies take part in outdoor activities like walking, cycling, canoeing, endurance races and extreme sports preferably in locations that offer outstanding landscapes and scenery. The preferred accommodation of Adventure Seekers includes hostels as well as campsites and B&Bs.

The hub then would offer affordable bunkhouse or hostel type accommodation which would be open year round and would be targeted at walkers, cyclists, mountain bikers and those coming to Rannoch for water sports and other outdoor activities. Visit Scotland data on occupancy rates indicate that this type of accommodation performs better in terms of occupancy rates throughout the year than either self-catering and B&B/Guest House. Hostel occupancy in Perthshire in 2018 was 54% with two of the highest months being February (73%) and November (75%).

6.3 Office and Meeting Space

Local Market Competition - Despite the Highland ward having the highest rate of business start-ups in the Perth & Kinross Council area -nearly 8 per 1000 population⁷ - commercial office space is scarce. The nearest available office space that could be found for the Rannoch area (on the basis of information provided by Business Gateway) was in Pitlochry and Dunkeld. Searches on commercial property websites yielded a nil return for the PH15 and PH16 postcodes. There are 3 community or village halls in Rannoch. Kynachan (in Tummel Bridge), Kinloch Rannoch and Georgetown Hall (near Bridge of Gaur) but these tend to be suitable for larger public meetings rather than small group or committee meetings and can be hard to heat (particularly Georgetown and Kynachan) and none offer office or touch down facilities.

Pricing – The Hub business plan assumes a charge of £15 per hour for hire of meeting and office space

Target Market - Of the 89 and people who took part in the consultation survey 48 belonged to a local community group and of these 79% indicated that they would be interested in making use of the office or meeting space. As mentioned above the Highland ward has the highest rate of business start ups in Perth & Kinross and this was reflected in the survey where 31 respondents ran or were starting or considering starting their own business, 58% of whom would be interested in using the office and meeting facilities if available at the Hub.

7 Marketing Strategy

Marketing will be targeted, focusing on letting the target groups know of the Rannoch Community Hub, its proximity, and what it offers.

For the Rannoch Community Hub to be a successful commercial venture, strategic marketing activity will be essential. There is a need for press coverage and unsolicited published reviews by journalists, suggesting that a proactive, sustained campaign offers enormous potential for growth.

⁷ Perth & Kinross Economic Journal Jan-May 2019

A full marketing strategy has been developed, based on key services and focusing on two priority areas.

Strong branding

A branding exercise to be undertaken with external assistance to look at the name, the logo and colours, and promotional materials. It will portray the “community owned” element of the hub and the branding should reflect and promote the ideas of locality and social impact of the hub. Branding to then be applied to all products and marketing materials.

Communications

Key messages will be developed and targeted at existing and potential customers, highlighting what sets the Rannoch Community Hub. The website will showcase products and services, and promote events, and individual marketing materials will be developed for all services. The organisation will develop a database of all contacts and customers for use in targeting promotional material. Promotional work will take place via newsletter, social media, press and local media, and by word of mouth.

The following target groups have been identified, for which individually tailored marketing approaches will be developed:

- Existing customers (and their families/friends) – use the existing customer base for outreach to potential new customers.
- Residents of the surrounding areas – mailshots to local amenities, local newspapers, radio etc.
- Tourists/ walkers & cyclists to the area.

These target groups will be approached through tailored marketing activity, described in the Marketing section of the Action Plan.

The hub will be portrayed as a “community owned” hub and pub that provides *a destination for locals and visitors where they can find delicious food, a thoughtfully stocked bar and first welcome as well as a range of comfortable accommodation.*

| Action | Lead Responsibility | Start Date | End Date |
|---|----------------------------|-------------------|-----------------|
| Short press release written and distributed <ul style="list-style-type: none"> • Rannoch Community Trust Website & internal communication channels • Culture Perth & Kinross • Perth & Kinross council • The Perthshire Advertiser, The Courier, Daily Record and other newspapers • Local Radio | TBC | TBC | TBC |
| Flyers to be created detailing information about resources available at the community hub, and distributed in Rannoch and Tummel and surrounding areas: <ul style="list-style-type: none"> • Local Businesses • Health Centres / Dentists • Schools/ College/ University | TBC | TBC | TBC |

| | | | |
|--|-----|-----|-----|
| Rannoch Community Hub Brand identity to be developed for all marketing materials | TBC | TBC | TBC |
| Website development | TBC | TBC | TBC |
| Customer database development | TBC | TBC | TBC |
| Creation of a Facebook Page, Twitter, etc. | TBC | TBC | TBC |
| Creation and posting of pre-set social media messages | TBC | TBC | TBC |
| Creation and distribution of Feedback Surveys | TBC | TBC | TBC |

8 Finance

8.1 Capital Costs

The Outdoor Centre building as currently configured consists of:

Ground Floor: Entrance Hallway, Kitchen, Lounge/ Dining Room, 2 Bedrooms, 4 Toilets, 2 Showers and Cupboard.

First Floor: 2 Bedrooms, Box room, Toilet and Shower.

In addition, there are three outbuildings – a boiler house, a former toilet block and a new large wooden storage shed.

A property condition survey commissioned by RCT (see Appendix 5 for a summary of findings and estimated repair costs) that the property required £46,700 of repairs primarily to the roof, rainwater goods, windows and internal plasterwork and suspended ceiling. The estimate does not include costs of decoration, or the treatment of an infestation in the roof space.

In addition to the cost of backlog maintenance the internal layout of the building will need to be changed to accommodate the additional new uses (see Appendix 6 for proposed new layout) and will require some upgrade of equipment and facilities. The District Valuer gave the property a market value of £100,000 taking into account the intended community use but not the cost of repairs (the property condition survey was not available at the time that the valuation was carried out). Taking into account the level of investment required to address outstanding maintenance, upgrade the kitchen, carry out some necessary remodelling of the internal layout of the building and bring the internal décor up to an acceptable standard, the Board of RCT are seeking a further 25% discount on the market value as determined by the District Valuer. The offer price would therefore be £75,000.

A breakdown of the estimated capital costs including the cost of acquisition is contained in the table below.

Capital Costs (Estimates)

| Item | Cost |
|--|-----------------|
| Building Acquisition | £75,000 |
| Essential Backlog Maintenance | £47,000 |
| Building Works – reconfiguring of internal layout and improvements | £100,000 |
| Professional Fees 10% | £14,700 |
| Contingency 10% | £14,700 |
| Fixtures & Fittings/Equipment | £50,000 |
| Sub-total | £301,400 |
| VAT 20% | £45,280 |
| Total | £346,680 |

8.2 Revenue Costs

An initial 5 year Income and Expenditure forecast has been prepared and is included in the table below (see over page). The assumptions that have been used in preparing the forecast can be found in Appendix 7. A deficit of £3,972 is forecast in Year 1 with modest surpluses forecast in the following four years.

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|----------------|----------------|----------------|----------------|----------------|
| | £ | £ | £ | £ | £ |
| Income | | | | | |
| Bar Sales | 93,600 | 100,620 | 108,167 | 116,279 | 125,000 |
| Food sales | 40,560 | 43,602 | 46,872 | 50,388 | 54,167 |
| Accommodation | 16,425 | 18,889 | 21,722 | 22,808 | 23,949 |
| Office & meeting room hire | 2,340 | 3,615 | 3,724 | 3,835 | 3,951 |
| Visitor facilities | 390 | 390 | 390 | 390 | 390 |
| Total Income | 153,315 | 167,116 | 180,874 | 193,700 | 207,456 |
| Expenditure | | | | | |
| Staff | | | | | |
| Manager (some time in bar, esp weekends) | 19,500 | 20,475 | 21,499 | 22,574 | 23,702 |
| Bar | 23,166 | 24,324 | 25,541 | 26,818 | 28,158 |
| Chef/Kitchen | 20,592 | 21,622 | 22,703 | 23,838 | 25,030 |
| Admin | 3,276 | 3,440 | 3,612 | 3,792 | 3,982 |
| Cleaner/ B&B Maid | 8,213 | 8,623 | 9,054 | 9,507 | 9,982 |
| NI and Pension costs | 5,619 | 6,093 | 6,591 | 7,114 | 7,664 |
| | 74,747 | 78,484 | 82,408 | 86,528 | 90,855 |
| <i>% of total income</i> | <i>48.8%</i> | <i>47.0%</i> | <i>45.6%</i> | <i>44.7%</i> | <i>43.8%</i> |
| Pub & Accommodation supplies & costs | | | | | |
| Laundry | 4,380 | 5,037 | 5,793 | 6,661 | 7,661 |
| Bar Supplies | 42,120 | 45,279 | 48,675 | 52,326 | 56,250 |
| Kitchen Supplies | 16,224 | 17,441 | 18,749 | 20,155 | 21,667 |
| Regulatory - license & certificates | 1,000 | 1,020 | 1,040 | 1,061 | 1,082 |
| | 63,724 | 68,777 | 74,257 | 80,203 | 86,660 |
| <i>% of total income</i> | <i>41.6%</i> | <i>41.2%</i> | <i>41.1%</i> | <i>41.4%</i> | <i>41.8%</i> |
| Property | | | | | |
| Repairs & Maintenance | 2,000 | 3,000 | 5,000 | 5,100 | 5,202 |
| Heating(oil) and electricity | 5,100 | 5,355 | 5,623 | 5,904 | 6,199 |
| Insurances | 1,500 | 1,575 | 1,654 | 1,736 | 1,823 |
| Waste & recycling | 900 | 918 | 964 | 1,012 | 1,063 |
| Water Rates | 750 | 765 | 780 | 796 | 812 |
| Rates | 0 | 0 | 0 | 0 | 0 |
| Cleaning Materials | 300 | 306 | 312 | 318 | 325 |
| | 10,550 | 11,919 | 14,333 | 14,867 | 15,424 |
| <i>% of total income</i> | <i>6.9%</i> | <i>7.1%</i> | <i>7.9%</i> | <i>7.7%</i> | <i>7.4%</i> |
| Office & Admin | | | | | |
| Phones & broadband | 1,750 | 1,785 | 1,821 | 1,857 | 1,894 |
| Card Payment Fees | 767 | 836 | 904 | 969 | 1,037 |
| Stationery, postage & printing | 500 | 510 | 520 | 531 | 541 |
| Professional & audit fees | 1,500 | 1,530 | 1,561 | 1,592 | 1,624 |
| Expenses & Training | 750 | 250 | 250 | 500 | 1,000 |
| Marketing and Website Fees | 2,500 | 1,000 | 1,000 | 1,000 | 1,000 |
| Volunteer Sundry Expenses | 500 | 500 | 500 | 500 | 500 |
| | 8,267 | 6,411 | 6,556 | 6,948 | 7,596 |
| <i>% of total income</i> | <i>5.4%</i> | <i>3.8%</i> | <i>3.6%</i> | <i>3.6%</i> | <i>3.7%</i> |
| Total Expenditure | 157,287 | 165,590 | 177,553 | 188,546 | 200,535 |
| Surplus/(Deficit) | -3,972 | 1,526 | 3,321 | 5,154 | 6,921 |
| Fundraising towards working capital | 15,000 | | | | |
| Funding of Meals on Wheels etc | | 0 | -1,661 | -2,577 | -3,461 |
| Surplus/(Deficit) after financing | 11,028 | 1,526 | 1,661 | 2,577 | 3,461 |

8.3 Fundraising – Capital Costs

Assuming purchase price of £75,000 with estimated repairs £46,700 and development works being £100,000. Professional fees and an allowance for contingency will also be built into the fundraising strategy giving a target amount of £346,680.

Outdoor Centre Campaign Goals:

To raise £346,680 through restricted and unrestricted income with a ratio of 4:1:

5. Securing funds from the Scottish Land Fund at rate of up to 95% of acquisition cost raising £95,000 also covering fees.
6. Identifying, qualifying and approaching Major Private Donors and/ or Business Sponsorship in local area raising £146,000.
7. Identifying Trusts and Foundations that will support a capital appeal and repair works for the building raising £100,000.
8. Raise remainder balance of £25,680 through small gifts – crowdfunding, name a brick appeal, 500 Club, membership, etc

| | Year 1 | Year 2 |
|--|----------------|----------------|
| Total Buildings (capital) | £95,000 | |
| Programme initiatives (capital) | 150,000 | 101,680 |

Consideration has been given to the current COVID-19 situation and the impact this may have on fundraising. Please see Fundraising Impact Analysis in Appendix 8 and the Risk Assessment section.

Scottish Land Fund.

The Scottish Land Fund supports rural and urban communities to become more resilient and sustainable through the ownership and management of land and land assets. Stage 1 funding has been awarded and has been used to pay for the development of the business plan. Stage 2 applications must be submitted by the end of August 2020. It is expected that the Scottish Land Fund can provide up to 95% of project costs (acquisition cost plus associated fees and insurances) although the average award is 85%. The balance will need to be raised by RCT although in some cases where a significant discount can be negotiated on the sale price (i.e. a price below market value) this will be taken in lieu of a cash contribution to project costs. SLF will also consider making a grant contribution towards essential repair costs.

Other Sources of Funding

A capital programme is a huge investment for any organisation. It can take time to raise the money - on average it takes two years. Often, building work starts prior to all the money being raised. It will take investments of time and money to be successful.

There are donors for whom a capital programme is the perfect project to fund, offering them security, longevity, recognition. A capital fundraising appeal can also be a great springboard to launch a long-term major donor fundraising programme.

Fundraising is a speculative activity and raising this money is far from guaranteed. Factors that will increase the success of a capital appeal:

- a positive image
- a logical plan to meet the need
- a strong and compelling proposition for supporting the appeal
- a sense of urgency
- enthusiastic trustees and a strong trustee board

- influential appeal leadership
- sufficient sources of financial support.

Potential prospect pool:

- Trusts and government grant programmes that fund the kinds of new needs described in your campaign goals.
- Donors to other organisations with similar or complementary missions.
- Anyone on our mailing lists to receive newsletters and publicity materials.
- Alumni and past recipients of your services.
- Companies and businesses that have a presence in your community, especially those that have arrived or expanded recently and are seeking to create a profile of 'good corporate citizenship'.
- Individuals and companies known to members of your board or volunteers.
- Individuals and companies known to your current donors.
- Volunteers and ex-volunteers.
- Board members and ex-board members who are not current contributors.

8.4 Donor Sources & Feasibility:

a) Trusts & Foundations.

Round 1. Applications currently submitted.

| Funder | Comments | Target Amount | Pledge |
|--|--|---|--|
| Albert Hunt Trust | Single awards for capital projects (building / equipment / renovation) | The type, size and time period of the award is decided on the basis of the perceived 'difference' that our support will make to the organisation, to the project and to the targeted beneficiaries. | Application Submitted. £5000 |
| The Wolfson Foundation | New buildings, refurbishment work and equipment | £30,000 – £125,000 | |
| Gannochy Trust | Capital projects focussed on addressing disadvantage and community regeneration. | £100,000 | |
| Small trusts & Foundations General appeal | General letter appeal to smaller trust and foundations around Scotland. | £20,000 | Appeals sent out to: (30k) <ul style="list-style-type: none"> • Bailey Thomas Charitable • Forteviot Charitable Trust • Robert Barr • Scott Davidson |

| | | | |
|--|--|--|--|
| | | | <ul style="list-style-type: none"> • Hugh Fraser Foundation • Thomson Charitable • Sinclair Trust |
|--|--|--|--|

Round 2. Applications to be made once building acquired.

| | | | |
|--|--|-----------------------------------|---|
| Trusthouse Charitable Foundation | We are a medium-sized grant making foundation giving grants to small, well-established organisations in the UK who address local issues in areas of extreme urban deprivation, or in remote and fragile rural communities. | £20,000 | They have advised delay on this fund as they are temporarily suspending it from 1 st April. 50% of costs must have been raised. |
| Garfield Weston | Funds projects in the areas of arts, community, education, welfare, medical, social, religion, youth and environment | £100,000-£150,000 | Apply when 50% funding raised. |
| Robertson Trust | Four main priorities are care, health, education and training and community art and sport. They also support regeneration and development projects – both innovative initiatives and continuation funding. | 10% of capital, maximum £200,000. | Will only consider funding once building is acquired. |
| Small trusts & Foundations General appeal | General letter appeal to smaller trust and foundations around Scotland. | £20,000 | <ul style="list-style-type: none"> • Duke of Devonshire's Charitable Trust • Kennedy Leigh Charitable Trust • The Rayne Foundation • St James Place Foundation. |

Equipment, repairs & activities.

| Funder | Comments | Target Amount | Pledge |
|---|---|---------------------|--------|
| <u>ASDA Foundation - Significant Local Community Projects</u> | <p>Transforming Communities and Improving lives Grant.</p> <p>These grants are about bringing people together in local communities. This could be by offering better facilities, providing easier access to activities for all ages and abilities and encouraging everyone to celebrate what is important to them.</p> | | |
| <u>Clothworkers Foundation</u> | Aims to improve the lives of people and communities. | £50,000+ | |
| <u>Cotton Trust UK</u> | Grants are awarded for capital expenditure for specific projects or items of specialist equipment, and occasionally for itemised running costs. | £200-2000 | |
| Foyle Foundation | We plan to make one-year grants for core costs, equipment, capital or project funding to charities which can show that such a grant will make a significant difference to their work. | £1,000 and £10,000. | |
| <u>Morrisons Foundation</u> | The Morrisons Foundation supports charities making a positive difference in local communities across England, Scotland and Wales. We award grants for charity projects and match fund the money that Morrisons colleagues raise for their chosen charities. | | |
| <u>Screwfix Foundation</u> | The Screwfix Foundation is a registered charity set up in 2013 . We have a clear purpose of raising funds to support projects that will fix, repair, maintain | Up to £5000 | |

| | | | |
|--------------------------------------|---|-----------------|--|
| | and improve properties and community facilities for those in need throughout the UK. | | |
| Tesco Bags of Help - | Through their work in the community, our Community Champions are able to raise awareness of this initiative and encourage local charities and organisations to apply and offer support. | | |
| The Rank Foundation | The Rank Foundation supports a number of small and major programmes across the UK. In the majority of cases, these programmes are funded through our proactive, research driven activities. | £10,000 -20,000 | |

Other potential Sources.

| | | | |
|-----------------------------------|---|---|--|
| Social Investment Scotland | The Social Investment Fund is managed by Social Investment Scotland on behalf of the Scottish Government. Its intention is to invest significant amounts into social enterprises with commercial and social potential. It mixes commercial loan, grant and risk capital elements at varying levels. | Up to £1million. This is half grant, half loan, and therefore loan servicing costs will need to be included in the revenue costs. | |
|-----------------------------------|---|---|--|

b) Corporate and Major Donors.

The major donor programme is underway with appeal letters having gone out to potential local prospect identified. This is being led by the board of Rannoch Community Trust.

| Prospect | Interest/ Personal Connection | Low Projection/ High Projection | Action to achieve: Work Plan |
|----------|-------------------------------|---------------------------------|------------------------------|
| | | | |
| | | | |

* Data not included for GDPR compliance.

c) Crowdfunding/ Community Shares/ Local Fundraising.

Crowdfunding requires a lot of preparation from pre-committing donors, to building email lists, getting video and creative assets together. It is estimated it takes six to eight weeks' minimum to do it correctly. The platform that will host the appeal is also very important and researching which one is best suited to this appeal will be crucial. 30% -

50% will need to be committed at launch and a specific marketing will be needed. Crowdfunding Strategic plan and marketing strategy to be developed nearer the launch.

Strategically it is important not to go to the people expected to be low value donors too early. Goal proximity will be critical to whether they give or not, and we will probably only have one or two shots if it's low budget, so waiting until about 85% - 90% of goal has been raised is crucial. Impact of COVID-19 to be assessed prior to launch.

d) Volunteers.

Volunteers will be a crucial part of the development and support of the capital appeal as well as after the Community Hub/ Pub opens. Fundraising Committees should be formed to support the capital appeal. There are potentially many skilled individuals in the community able to apply successfully for funding and who may have over the years developed relationships and contacts with potential funders.

e) Legacy Fundraising.

Although a longer term approach, implementing a legacy stream could help sustain The Rannoch Community Trust and the hub in the future. Typically, a first legacy donation takes between 5-7 years to come through. It may offer upgrade to the project and development.

Additional funding.

| Additional funding | | | |
|--|-------|--|-------|
| Website, brand and marketing materials | £5000 | Awards for All or similar | £5000 |
| Contingency (Year 1 & 2 running costs) | £5000 | General Appeal small trusts. | £5000 |
| Donor Recognition & Stewardship | £5000 | General Appeal small trusts. Incorporate into larger bids. | £5000 |

Stewardship: donor recognition & donor development.

| | |
|--------------------------|--|
| Donor recognition | <ul style="list-style-type: none"> naming opportunities, acknowledgement opportunities, events, visits.... |
| Donor management | <ul style="list-style-type: none"> Responsibility for continuity of contact with donors, staff/Trustee assignments should be identified at start of appeal. |
| Accountability | <ul style="list-style-type: none"> Tracking and reporting and donor records management. The capital appeal may require the support of a fundraising database such as Donorfy. It is a cloud based CRM which is free up to 500 constituents. |

9 Risk Assessment

The unprecedented and exceptional impact of the Coronavirus pandemic on life in the UK and globally creates high levels of uncertainty and forecasting its impact on the political, social, cultural, economic and financial landscapes in the medium to long term is fraught with unknowns. However, we do know that the suspension of much economic activity is already predicted to have serious consequences for the third sector as funding dries up and the demand on trusts, foundations and grant programmes increases.

A PESTLE analysis and SWOT analysis (see Appendix 9 & 10) have been carried out and these have informed the development of the Risk Assessment below. The main risk issues emerging from the PESTLE and SWOT analysis were the adverse impact of the Coronavirus pandemic on the economy, the impact that this would have on fundraising and also on households disposable income for holidays and eating and drinking out. In the short-term there is the impact that the pandemic will have on the decision making processes of Perth & Kinross Council and the ability to meet Scottish Land Fund deadline for Stage 2 applications.

The impact of Brexit may also have an adverse impact on the economy as well as create shortages in the labour market particularly in the tourism and hospitality sectors. Conversely there may be some opportunities arising from both these including a potential increase in people holidaying in the UK from which Rannoch would hopefully benefit particularly when allied with the growth in adventure tourism. The Hub pub and bunkhouse may also be operating in a less competitive market in the as businesses in the hospitality/tourism sectors are unable to survive the impact of the Coronavirus lockdown restrictions.

| | Risk | Probability | Impact | Score | Existing mitigation | New Mitigation | Owner |
|----------|--|--------------------|---------------|--------------|--|--|-------------------|
| 1 | PKC decision on asset transfer is delayed due to coronavirus pandemic and deadline for SLF funding is missed. | 4 | 5 | 20 | PKC supportive of transfer so far and aware of SLF timescales. | Liaise with SLF about seeking extension or potential to carry over application to next financial year. Investigate alternative sources of funding. | Project Officers |
| 2 | SLF oversubscribed results in unsuccessful Stage 2 funding application | 4 | 5 | 20 | Continue to liaise with SLF Adviser | Ensure development of robust business case and seek early feedback from SLF before submission of Stage 2 application. Two further SLF funding panels - Aug and final panel in November. Submit application to earlier panel. | Project Officers |
| 3 | Time taken to raise sufficient funds for capital works takes longer than anticipated. | 4 | 4 | 16 | Funding plan being developed involving diverse range of potential funding sources | Priority to be given to carry out works that will support activities that have potential to generate highest income. Capital works to be reprofiled over longer time period. | Board |
| 4 | Failure to generate sufficient income (from pub/café, bunkhouse meeting room/office space hire) to cover costs | 3 | 5 | 15 | Expenditure and Income forecasts are cautious and based on realistic assumptions | Establish trading subsidiary to focus on management of hub and trading activities. Robust and regular financial monitoring by both trading subsidiary board and RCT board to ensure early identification of problems and timely remedial action. Identify and develop additional sources of income generation. | Board and Manager |
| 5 | Community use lower than expected | 2 | 3 | 6 | High levels of community support for the Hub. Consultation indicates high level of interest in using the Hub amongst community groups. | Further engage with local community groups to understand their requirements. | Project Officers |

| | | | | | | | |
|-----------|---|---|---|----|--|---|------------------------|
| | Failure to attract volunteers to become involved in development and running of the hub limits capacity of the board to take the project forward | 3 | 4 | 12 | Consultation has identified high number of potential volunteers. Skills audit carried out | Fund-raising sub-group to be established. Board to use local connections to involve more people with specific relevant skills. Continuation funding for Project Officer or similar resource to be explored. | Project Officers/Board |
| 6 | Failure to attract volunteers with suitable skills/experience to be directors of subsidiary company | 3 | 4 | 12 | Skills audit has already identified potential volunteers with relevant experience/skills. RCT board has suitably qualified directors who could be appointed to trading subsidiary board. | Volunteer directors of trading subsidiary to be provided with training. Board to use local connections to involve more people with specific relevant skills. | Board |
| 7 | Loss of key board members reduces capacity & capability (i.e. loss of relevant skills) of board | 3 | 4 | 12 | Board to use local connections to involve more people with specific relevant skills. | Use engagement with potential volunteers (see above) as basis for succession planning. | Board |
| 8 | Unable to recruit and retain sufficiently experienced and skilled staff | 3 | 5 | 15 | Tourism/hospitality sector in Highland Perthshire – provides large existing workforce to recruit from. | Use of volunteers as a short-term fix Train up potential local candidates. On-going affordable housing project may offer opportunity to provide key worker housing, | Board |
| 9 | Objections received to liquor license or change of use | 2 | 2 | 4 | High levels of community support for the hub. | Continue programme of community engagement. | Project Officers |
| 10 | Unbudgeted or higher than anticipated running costs particularly on repairs. | 3 | 3 | 9 | Property condition survey carried out. Budget for essential repairs and working capital built into business plan budgets. | Carry out further specialist surveys (roof, structural, electrical etc... before completion of transfer.) | Board |

Appendices

Appendix 1 - Poll result and AGM Minutes

Appendix 2 - Skills Audit Matrix

Appendix 3 - Results of Community Consultation Survey Feb 2020

Appendix 4 - Market Analysis: Prices comparison

Appendix 5 - Property Condition Survey Summary

Appendix 6 - Proposed new layout

Appendix 7 - Income and Expenditure Forecast Assumptions

Appendix 8 - Fundraising Impact Analysis

Appendix 9 - PESTLE Analysis

Appendix 10 - SWOT Analysis