

Business Plan

Oakley Village Stores

Oakley Village Stores Ltd Management Committee



Oakley Village Stores
owned by the community run by the community for the community

Contents

Table of Contents

Contents	2
1. Introduction, Aims & Vision.....	4
2. Executive summary	5
2. Background.....	6
3. Oakley Village Stores Research Questionnaire.....	7
4. Oakley Village Stores Limited Community Benefit Society (“The Society”)	8
6. The Management Committee	11
Accountability	11
Why do we think we can be successful?	12
7. How the community can help	14
8. The benefits of having a village shop	14
9. Project Timetable/Action Plan.....	15
10. Market research and analysis	15
Headline Risks.....	15
Other Community Shops	16
Customer base.....	16
11. Marketing strategy.....	18
Marketing Plan:	19
12. Premises	19
13. Environmental management	23
14. Retailing hours and staffing	24
15. Products and services	25
16. Professional support and strategic fit	26
17. Financial projections & Costings.....	26
Start-up costs.....	26
Fundraising strategy	27
Donations & Business Sponsorship	27
Loans.....	27
Grant funding.....	27
Bank loan	28
18. Exit strategy	28
Appendix 1- Financial Projections.....	29
Trading and Profit and Loss Accounts, Cash Flow and Balance Sheet.....	30

1. Introduction, Aims & Vision

Introduction

The Oakley Community Shop Steering Group (“the Steering Group”) and subsequently the Oakley Community Stores Limited Management Committee (“the Management Committee”) has developed this Business Plan to:

- 1.1. Set out our aims and objectives along with the resources needed to achieve them;
- 1.2. Present strong arguments as to why a community shop would be more viable than a “commercial” village shop;
- 1.3. Explain how a community shop would provide wider benefits than just a simple retail outlet;
- 1.4. Illustrate the thinking, research and effort that has gone into the proposal;
- 1.5. Help secure funding from the community and grant providers;
- 1.6. Encourage community support and involvement.

It is an organic document and will be reviewed throughout the project evolution and revised to reflect new thinking, new opportunities, and changing circumstances as the project progresses. This current revision has been produced following the successful community share issue held in November 2021.

The Aim

To lead the community in opening a financially sustainable village shop which is owned and run by the community for the benefit of all who live in Oakley.

The Vision

Through the Community Shop we aim to strengthen the social hub and support engagement to enhance the well-being of the local community. This will be achieved through:

- *Provision of a physical focus for ad-hoc and informal social interaction;*
- *Provision of excellent customer experience and service;*
- *Providing locally sourced, quality goods and produce in an economically and environmentally sustainable way and minimising food wastage through partnerships with local food distribution schemes;*
- *Providing outreach services which enhance quality of life and reduce social exclusion and the need to travel to access services;*
- *Encouraging volunteers to deliver supportive services to the community;*
- *Encouraging the young to help the old cope with the increasing reliance on technology;*
- *Encouraging the old to help the young to learn from a lifetime of experience;*
- *Enabling the young to develop skills and experience vital to obtain a first job.*

2. Executive summary

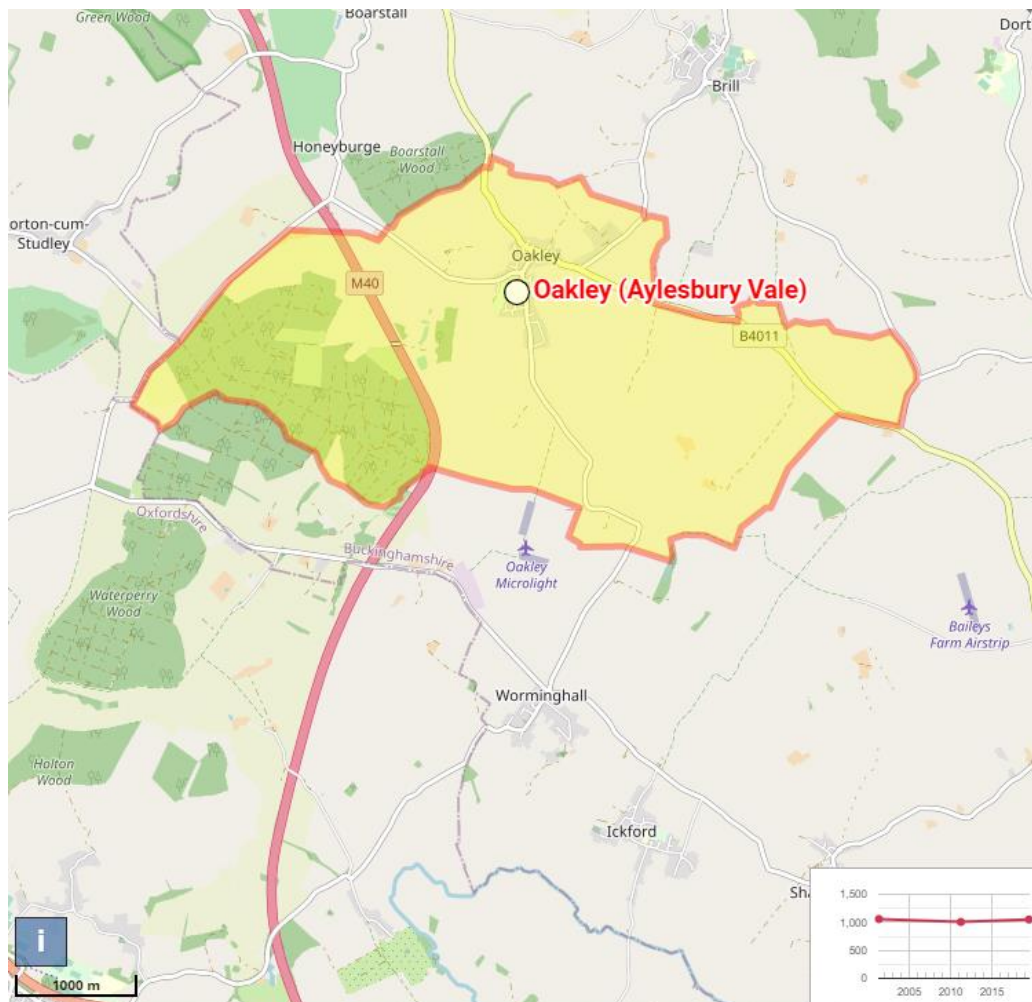
- 2.1 The Steering Group was set up at the request of Oakley Parish Council in November 2020 to carry out a feasibility study to determine whether establishing and running a community owned and run shop for the benefit of the community would be a viable business proposition and if so, to take forward the project. The Steering Group concluded that it would be a viable proposal, given sufficient custom, funding and volunteer time from the community. Subsequently, the Steering Group has set up Oakley Village Stores Limited, a Community Benefit Society (“CBS”), as the vehicle to take the project forward.
- 2.2 It is proposed that the new shop will be housed in timber clad shipping containers and the site will be leased from Oakley Parish Council for a nominal rent adjacent to the Village Hall thus benefitting from a location in the heart of the village and an existing large off-street car parking area. The interior dimensions of the store will be approximately 56 sqm. The shop interior will be purpose designed, and the layout, fittings and product displays will create an attractive and welcoming retail environment, where the look and feel will be ‘farm shop’ rather than ‘corner shop’. There will also be a small coffee shop area/counter selling coffees and teas, plus some perishable items. We will make good use of the space around the building by installing a paved outdoor seating area overlooking the park and children’s play area. The aim is to create a “hub” for the village and to maximise the number of reasons for villagers to visit and use the facility.
- 2.3 Whilst detailed staffing arrangements will be decided upon when the opening hours become clearer, it is anticipated that an experienced shop manager will be recruited and supported by a team of trained and dedicated volunteers.
- 2.4 It will be a phased development:
 - 2.4.1 In late 2020 and early 2021 January 2021 the Steering Group undertook significant amounts of research to formulate the vision for the project;
 - 2.4.2 In March 2021 the Steering group obtained approval in principle from the Parish Council to the proposed arrangements for the building so that work could commence on refining the plans with a view to producing a planning application can be produced and the project could proceed to the fund-raising stage;
 - 2.4.3 A further round of public consultation was carried out in the village in March and April 2021 which resulted in overwhelming support for the project in the village but also raised a number of issues requiring revision of some of the plans, principally relating to the external areas. Meetings were held with some residents living closest to the proposed site to resolve their concerns regarding disturbance from the patio area and these have resulted in further revisions to the designs.
 - 2.4.4 Exterior funding is still to be confirmed but likely to be from a number of grant funding sources but an initial sum of money has been raised via a community share issue which took place in November 2021. It was hoped that this would raise more than £30,000 towards the project. Encouragingly, the share issue was very successful and raised £47,100 via investment from 190 shareholders;
 - 2.4.5 In March 2022, a planning application will be submitted to Buckinghamshire Council for the shop premises;
 - 2.4.6 The shop build will be commenced in summer 2022 with a view to opening in August/September

2022. This draft timetable depends on the lease with the Parish Council being secured, fundraising targets being reached in time to commence construction as anticipated and firm commitments of volunteer support from the community.

2.4.7 An estimated £85,965 is needed to build, fit out and open the community shop, to be raised via the above-mentioned grants, donations and the community share issue. With conservative income estimates of around £170,000 per annum, it is projected that the community shop will be in profit by the second year of trading.

2.5 Following the agreement in principle to the proposed arrangements from the Parish Council, the Steering Group set up the CBS. The Steering Group has now become the Management Committee of the CBS and will act until the first annual members' meeting, at which a new Management Committee will be elected. This meeting will be held on 4th July 2022.

2. Background



Oakley Parish lies in the county of Buckinghamshire, 7 miles south of Bicester, 11 East of Oxford and 6 miles north of Thame. Oakley covers an area of roughly 8 square miles. The 2011 census recorded its population as 1,007 people who are spread over approximately 440 households. Since 2011 the population has grown slightly due to a number of new residential dwellings constructed.

Today, Oakley is a largely residential village with a small range of local community services and facilities including a village hall, primary school, a public house as well as a church. Like many other English villages, in the years between 2000 and 2011, Oakley lost many local facilities, including its post office, shop, filling station and one of its pubs (the Royal Oak). The remaining businesses include one public house (the Chandos Arms), recently acquired by the village, and Oakley Garage.

Although there is some (mainly light industrial or agricultural related) employment in and surrounding the village itself many residents travel to work in nearby towns, Oxford or in some cases London. The village has a large contingent of NHS staff from the nearby John Radcliffe hospital and a significant number of trades people. In keeping with many communities, it also has a growing number of persons in professional occupations who work partly or primarily from home.

The below table of charts shows a number of interesting details taken from the electoral register and the 2011 Census.

- The average age of residents in Oakley is 48.5 years old. This is above the national average of 40.5 years old;
- Oakley has the same average number of school age residents as the national average;
- The majority of the population of Oakley are 18-64 years old with 29% of the population being 40-60 years old;
- The number in the age range of 18 - 60 years is less than the national average. 46% vs 57%;
- The over 65 population of Oakley is 250, 25% of the population. Against an 18% national average. The over 65 group is higher than the national average. This clearly demonstrates a higher ageing profile for the village than is occurring nationally.

Further information about the population structure:

Males	511
Females	539

0-17 years	210
18-64 years	590
65+ years	250

0-9 years	108
10-19 years	119
20-29 years	69
30-39 years	106
40-49 years	149
50-59 years	160
60-69 years	159
70-79 years	109
80+ years	71

UK	857
Republic of Ireland	8
EU (other)	13
other passport	33
no passport	112

UK	929
Republic of Ireland	8
EU (other)	12
Other country	58

White	973
Asian	19
Black	3
Mixed/multiple	12

3. Oakley Village Stores Research Questionnaire

A village survey/consultation was undertaken in 2019 to ascertain views amongst the community on the possibility of a new shop in the village and to also understand better how people might use it and for what. In all the survey (which could be completed online, via post or at various locations in the village) showed significant enthusiasm amongst respondents for the community shop project with the key headlines being:

- In all, 222 people/households responded to the survey with 212 of those stating that they are residents of Oakley and 10 being persons living outside the village;
- 89% of those who responded ranked the importance of having a shop in the village as a 4 or 5 out of 5 (with 5 being Very Important and 0 being Not Important). 60% marked it a 5 and only 0.93% (or 2 people) felt that having a shop is not important to the village;
- 69% of respondents indicated that if there was a shop in the village, they would be likely to use it at least 2-3 times a week with a further 24% indicating they felt they would use it at least weekly;
- Responses showed enthusiasm for a wide range of potential products and services with the most popular products being “local produce”, baked goods and fresh fruit and vegetables;
- In terms of additional services that villagers would like to see associated with a community shop postal services and tea/coffee shop services scored the most highly;
- 80 respondents indicated a willingness to volunteer and assist with the project in some capacity or other.

Consequently, it is our belief that there is a strong will in the community to see the return of a shop to Oakley and that the right sort of facility can expect considerable support from that community, particularly if they are invested in it as its stakeholders.

This belief was bolstered by the further round of public consultation held in April 2021 which was overwhelmingly supportive of the project. Indeed, whilst there were relevant comments received (and taken account of) in relation to the plans for the site/building, only one email of objection to the project was received in response to that consultation.

Subsequently, the success of the share issue has demonstrated that our perception of considerable support for the project in the village was justified.

4. Oakley Village Stores Limited Community Benefit Society (“The Society”)

Community shops trade, employ staff, manage volunteers and enter into contracts and financial arrangements. They therefore require a legal entity to protect the individuals running the business by giving them ‘limited liability’ and they also require a legal structure to ensure that they are compliant with legal necessities such as tax, insurance, trading standards and employment rights. In deciding which form of legal entity would be most appropriate for our community shop the guiding business principle was that the more people who get involved and buy into the enterprise the more likely it will succeed.

The Steering Group therefore decided to incorporate a Community Benefit Society. The Society’s aim is to provide and sustain an attractive community shop. It will sell good quality goods and services at a reasonable cost, which will meet the shopping needs of parish residents and adjacent parishes, as well as visitors to the local area. There will be an emphasis on supplying good quality local produce at a fair price. The aim will be to use suppliers in Buckinghamshire or Oxfordshire wherever possible.

There are additional objectives, which are:

05/05/2022

- To safeguard and enhance the parish's resilience by improving village facilities, acting as a hub for the parish, fostering a stronger community, supporting the well-being of residents, and helping to meet the needs of the local community;
- To promote a sense of common ownership and collective effort for the good of the community as a whole;
- To demonstrate that the business is sustainable and viable within two years;
- To support local businesses and the rural economy by providing an outlet for local producers, craftspeople and artisans, and enabling them to advertise themselves;
- To develop a regular, loyal and profitable customer base from within the parish and beyond by providing a good retail option, personal service, and being flexibly responsive to the needs, requests and suggestions of customers;
- To offer a cheerful, welcoming, friendly and helpful service;
- To reduce the parish's carbon footprint by reducing car use and food miles and to minimise food wastage;
- To provide a central, informal meeting point for villagers overlooking the children's play area.
- To provide training, voluntary work opportunities and work experience for local people and for young village residents;
- To distribute all profits not required to sustain and develop the business to local community projects.

The CBS will operate for the benefit of the community, under the Co-operative and Community Benefit Societies Act 2014. The principal objective of a Registered Society is that it will be owned by the community and any profit from the shop not required to be re-invested in the business will be put back into the community.

The Steering Group have chosen this model for a number of reasons, namely:

- This model is operated at numerous similar village locations elsewhere in the country and is recognised as a viable approach to running and maintaining a vibrant village shop in a rural location. It allows as many people as possible in the community to buy shares in the business (some other options restrict the number of shareholders) and become Members of the CBS, thereby enhancing the sense of community ownership and enabling people to invest and offer their services for the benefit of the shop and ultimately to the parish community. Buying shares in a CBS is an investment in the community, intended to secure and enhance a lasting asset, part of a thriving and sustainable community. In recent years community share issues have been responsible for raising an average of £35,200 towards the start-up costs of community shops. Our share issue has therefore performed better than the average.
- The ownership structure is completely democratic – one vote per shareholder, as opposed to one vote per share. Shareholders can therefore influence the management of the shop by electing Management Committee members and voting on issues at the Annual Members Meeting and Special Members Meetings. Net profit is used to develop the business and then build a financial reserve in the early years. Thereafter, the principal objective is to use the net profit to benefit the wider community. At the discretion of the Management Committee, interest may be paid to shareholders. Unlike other forms of private company, community shares cannot be worth more than the price paid for them, and they are not transferable to a buyer at whatever price the buyer will pay. They are withdrawable shares with the prospect of getting some or all your money back

from the company, subject to the discretion of the Management Committee, after three years.

- Community shops with a CBS structure have an average of 191 Members, in comparison with 113 for other structures. The benefits of a large membership base include having a larger number of people who have a financial interest in the shop and who are more likely to use it regularly; a greater number of people who attend Annual Members Meetings and other Members Meetings and positively contribute to the overall direction of the business; and a larger and more accessible pool of people to draw on for Management Committee tasks, or when more volunteers are needed to help run the business. With an initial 190 members, and the ability for more to join as the project proceeds, there is already a significant proportion of the village with a stake in the project.

The CBS's governing document known as the Model Rules, (available on request and at www.oakleyvillagestores.co.uk), set out the way in which the CBS is owned, organized and governed. There will also be code of conduct, a policies and procedures handbook for volunteers and the CBS already has adopted policies relating to health and safety, equality and diversity and safeguarding.

6. The Management Committee

The current members of the Management Committee are:

<u>Role</u>	<u>Person</u>
Chair & Parish Council Rep	James Smith
Company Secretary	Neil Walters
Community Member & Clerk	Pat Pointer
Treasurer	Sarah Dollah
Parish Council Rep	Anne Staff
Community Member	Richard Gee
Community Member	Janet Salter
Community Member	Marc Elmsworth
Community Member	Stewart Bates

We believe that the Management Committee has (with the support of the Parish Council) the necessary skills, experience and contacts to take the project through and beyond the incorporation stage and set up the community shop together with volunteers and paid staff, enabling it to quickly become a well-used and valued resource for the parish, as well as visitors.

The Steering Group and then the Management Committee have been meeting monthly, reporting back to the Parish Council as necessary and this will continue throughout the incorporation phase. Minutes of all committee meetings are available for members to view on the website. Following the share issue, members will be kept informed of project progress and milestones via regular bulletins, updates on the website and via the village magazine.

Once incorporated and the project moves to the operational phase, the initial Management Committee will formally stand down at the first Annual Members Meeting, to be held after the shop opening and filing of the first annual accounts and a new Management Committee will be elected from, and by, the shareholders of the CBS (although former Management Committee members will be eligible to stand for election) and will then take over the running of the shop.

All members of the Management Committee will work on a voluntary basis and adhere to the Code of Conduct.

Accountability

The Management Committee is very aware that the success of this venture depends on getting and keeping the support of parish residents, some of whose families have lived in the village for many years, and many of whom have moved here to live in a more rural area.

Every effort will be made to keep residents informed of the progress that is being made to establish the community shop, through the Oakley Village Website, the Oakley Village Facebook page, The Oakley Informer, social media, leaflet drops and word of mouth. The Steering Group also acquired the domain name www.Oakleyvillagestores.co.uk created a website which was used for the further round of public consultation (prior to the planning application being submitted) and share issue but will subsequently become the website

for the new shop once it is operational.

There is a broad range of ages and household incomes in the area, and we have taken (and will continue to take) every opportunity to listen to what people say they want and to be answerable to the Parish for the decisions that the Management Committee makes.

All residents aged over 16 have been encouraged to buy shares in the company to become a member. Members have one vote, regardless of how many shares they have. Members will be able to attend Members' Meetings, at which they can speak, submit motions for consideration and elect the Management Committee.

The project has been assisted so far by local residents and the Parish Council and we are liaising with a number of local businesses who may also be willing and able to offer support as the project progresses.

Why do we think we can be successful?

The Management Committee is under no illusions about the difficulty of setting up and sustaining this enterprise, but we are confident that with sufficient, timely and sustained community support it can be successful. Here are ten reasons for our confidence:

1. The success rate of community-owned village shops is far higher than it is for shops which are independently run. The number of community-owned village shops in the UK has grown from 27 in 1994 to 372 by the end of 2019, opening at an average rate of 30 annually during the last five years. Only 16 community shops have closed since records began in 1992, indicating a long-term survival rate of 94%. The 5-year survival rate of community shops is 99%. This compares extremely positively with estimations for UK businesses, which have an estimated 5-year survival rate of 45%. In stark contrast, independent village shops have struggled to survive in the last 25 years, with around 400 closing every year.



2. The average turnover for a community shop in 2019 in the UK was £154,687, while the average net profit (after re-investment in the business and distribution of part of the profits) was £3,220. Gross margins range between 10-37% averaging at 22%. By floor area, turnover averaged at £2,400 per m². Average sales in 2020 increased by +1.9% on previous year's sales (as compared to Sainsbury +0.2%, Co-operative -0.2%, Tesco -1.3%, and Morrisons -2.8%);

3. The shop will be purpose designed and the layout, fittings and product displays will create an attractive and welcoming retail environment, where the look and feel will be 'farm shop' rather than 'corner shop'. We will also sell coffees and teas, plus some perishable items. We will make good use of the space around the building by installing a decking overlooking the park and children's play area with outdoor seating so that the shop becomes a community hub rather than just a shop.
4. Much greater emphasis will be put on communicating with our customers and marketing to potential customers. We will communicate more effectively with our customers, using a range of methods, to ensure that our product lines and services reflect their wishes, and we will alert them to special deals on a regular basis. Installing a Wifi network with log in and data capture potential will allow us to expand our network.
5. More than half of community shops have the Registered Society or CBS ownership model, as highlighted above. As the new business will be owned by the community for the benefit of the community, it will be in the interest of everyone in the community to make it a success. With almost 1050 residents in the village the market is big enough to support our venture.
6. Community shops can access funding and discounted services not available to purely commercial operations. There are a number of cost exemptions which can be applied for by community owned ventures.
7. We will be able to draw on a wealth of local expertise in the village as well as benefitting from many sources of advice in areas such as food and general retailing, business advice, property planning, accountancy and tax advice, legal advice and banking. We have also had some invaluable advice from the Plunkett Foundation and intend to liaise with them further as the project progresses.
8. We intend to employ an experienced shop manager who will have the relevant skills to help train the team of volunteers.
9. Residents of the parish will volunteer to carry out a range of tasks, for instance working behind the counter, managing stock or cleaning. Volunteers reduce salary costs and can also be expected to be good ambassadors for and loyal customers of the shop.
10. The elected Management Committee will receive weekly financial reports through the reporting system from the tills (EposNow), so that any significant negative financial indicators can be identified early, and appropriate measures taken.

7. How the community can help

In the previous section we set out ten reasons why we are confident that the new business can be a success. However, the most important factor will be the wholehearted and ongoing support of residents of the Parish and of the wider community.

The initial proposal of a community shop was enthusiastically supported by residents as has been outlined earlier in the section summarising the results of the 2019 survey/consultation. The 2021 consultation exercise re-affirmed that community support. We need to ensure that this initial enthusiasm is turned into real and ongoing action and support. The community can assist the new enterprise by:

- Helping us raise capital by purchasing community shares in Oakley Village Stores Limited CBS or making a donation, an interest-free loan or (in the case of local businesses) providing sponsorship or works in kind to help get the shop up and running;
- Helping with the fundraising, publicity, refurbishment and shopfitting;
- Becoming a volunteer member of the shop staff;
- Spending money in the shop.

8. The benefits of having a village shop

Having a shop within the community has several key advantages:

- Alleviation of social isolation for the older or less able members of the community who do not have access to alternative stores. As has been set out above, we know that Oakley has a higher than average number of elderly residents and has limited public transport services;
- Better and closer local access and provision;
- A positive effect on house price;
- Research claims that every £10 spent with a local food retailer is worth £25 to the local economy, compared to just £14 generated from supermarket chains;
- Half of the turnover generated from local retailers is returned to the local economy, in comparison to large retailers who return as little as 5% to the local economy.

Specifically, the community shop will provide the following economic, social and environmental benefits:

- An enhanced sense of community cohesion through the creation of a new “hub” within the village;
- Creation of a new local business;
- Creation of at least one full-time job and potentially other part time jobs for local residents;
- An opportunity for local people to volunteer with a community activity. The use of volunteers also reinforces the inclusive nature of the project;
- Increased visitor and passer-by spend in the community;
- A new “coffee shop” area overlooking the play area and park to provide a place for parents to meet/gather whilst children use the playground or sports pitches;
- An enhanced rural economy through support of local businesses. We plan to source and promote as many products and services as possible from Oxfordshire and Buckinghamshire, minimising food

miles and also to work with Buckinghamshire based charity partners to avoid food wastage and hopefully help in a small way to fight food poverty;

- Training and learning opportunities for new employees and volunteers;
- An information centre with a community notice board & shop website;
- The employment of a number of volunteers, most of whom are likely to be among the retired or residents or the Parish;
- Potential learning opportunities for the local primary school and work experience placements for local secondary students;
- Lower environmental impact through reduction in vehicle journeys and food miles;
- Initial opportunity for local tradespeople to help with the installation of the shop;
- A proposed home delivery service for residents who may have limited mobility or health conditions that make it difficult for them to travel outside the village.

9. Project Timetable/Action Plan

Our Project Timetable and Action Plan for the opening of the community shop is set out at Appendix 2. Again, this is an organic document which necessarily requires a degree of flexibility and will be updated and amended regularly throughout the process.

10. Market research and analysis

Headline Risks

We have undertaken a risk analysis and a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) of setting up and running a community shop and the findings have been incorporated into this Business Plan.

The critical risks identified are below:

Risk	Counter measures
Insufficient funding to start up the shop	Ensure that start-up costs are kept low; Widely promote the viability and benefits of the shop so that the target figure for fundraising is met; Include marketing opportunities for individuals and businesses to buy shares or provide sponsorship allowing them to offset costs against tax liabilities.

Insufficient income generated	<p>Ensure the community shop is providing the products and experience that customers want and expect (regularly consult community on this);</p> <p>Use of volunteers will keep costs down;</p> <p>Ensure pricing is competitive;</p> <p>Ensure good promotion of the shop through social media and road signage;</p> <p>Offer a loyalty programme (card) or reverse credit scheme.</p>
Lack of volunteers	<p>Promote volunteering opportunities within the parish for people who want to give their time to help the community, for young people who will benefit from the work experience/part time jobs, and for older people who will benefit from the social interaction</p>
Loss of volunteers or volunteers with lack of necessary skills	<p>Good training, support and recognition from the shop manager and Management Committee;</p> <p>Ongoing promotion of volunteering opportunities to support younger generations with work experience in advance of employment.</p>
Litigation/prosecution	<p>Ensure risk assessments are conducted;</p> <p>Thorough staff and volunteer training;</p> <p>Full legal compliance;</p> <p>Adequate insurance</p>

Other Community Shops

We have undertaken market research surveys of around a dozen other local (and not so local) community led village shops and have been assisted by the Plunkett Foundation in setting up the CBS and in respect of the early stages of the project. This research (and consideration of best practice employed and what has been less successful) has helped us to evolve our proposals and inform the business plan and premises requirements, particularly in terms of the level of floorspace needed. Through this research exercise we have established lines of communication with a number of other committees and managers running those shops which we believe will be a useful resource moving forward.

Customer base

The intention is that the community shop serves the wider community (i.e. the whole of the surrounding area including, outlying farms and houses, adjoining parishes, and visitors). However, our primary target market is the residents of the village and Parish. The demographic make-up of the parish is broad, with a number of older residents, some of whom have no means of transport, and many families with children under 18 years. Current public transport services for the village are limited.

Visitors to Oakley as well as passing trade and (particularly for the coffee shop) cyclists are also clearly potential customers.

05/05/2022

We have analysed and categorised potential customers for the store into seven groups. The groups of potential customers are:

- A Those who will use the shop as their primary source of supplies because they are unable to shop non-locally due to their dependency on (limited) public transport and lack of internet access;
- B Those who will use the shop as their primary source of supplies because of its convenience and/or its social benefits;
- C Those who will use the shop regularly but as part of a mixed shopping pattern that includes non-local shopping;
- D Those who will use the shop only occasionally or in an emergency;
- E Commuters passing by and en-route to the many arterial road routes and other nearby villages;
- F Workers operating in the local area and passing cyclists;
- G Visitors to the primary school, playpark, playing fields, village hall, church, and visiting tradespeople providing maintenance, repairs and building work for residential properties and farms.

For those in groups A & B, the community shop will provide an essential and consistent service and whilst we would expect the group using the shop as their primary source of supplies to be relatively small, we expect business to grow quickly in this group in the very early days.

As the research indicates that most people are likely to use such a store for shopping trips to supplement or top up their main supermarket shop, we will focus on strategies to increase and maintain custom from groups C & D in the mid to long term by listening carefully to feedback from these customers to enable carefully crafted offers and product offerings, followed up by a quick and positive response with regard to changes in the business. It will be key to win a proportion of their business that would normally go to our competition. In the case of Oakley, many locals currently travel in their cars to Long Crendon or Brill (or to the petrol station at Thame) when they need to supplement their main supermarket shop and we will ensure we are competitive with these stores in terms of price and offer. However, where we believe we can compete most effectively is by growing brand loyalty and offering a high quality, easily accessible shopping experience offering convenience, locally produced goods (ideally some not available in other local convenience stores), lower travel costs and time, carbon footprint, friendly service, local knowledge, and community-based management alert and responsive to customer demands. In particular, we believe that the coffee shop element of the proposals will be valuable both in terms of adding turnover to the operation and increasing customer footfall over and above that related solely to the shop.

Home delivery services, such as those provided by major supermarkets or online retailers, present a different challenge in that they are convenient. We can compete with them on people's preference to see groceries before purchase, on freshness of the produce, special local goods not otherwise available, and on the provision of an inclusive social facility. In certain circumstances we may be able to supply delivery services to residents unable to make it to the shop via a community service provided on a volunteer basis.

Once established, an efficiently run and well managed shop stocked with an attractive range of reasonably

05/05/2022

priced products should ensure continued successful trading.

11. Marketing strategy

News concerning the community shop proposal has so far been communicated by articles on the village Facebook page, via the website, the Parish Council and word of mouth. We plan to increase the level and scope of our interaction as the project moves closer to full implementation.

As stated above, we have acquired the domain name www.Oakleyvillagestores.co.uk and it is anticipated that this will become a “fulcrum” for communication with the community in relation to the project moving forward. However, we are acutely aware that not all members of the community have access to or use the internet regularly and so we will ensure that any information about the project is also made available through leaflets, posters and through the village magazine, the “Oakley Informer.”

As we get closer to our target opening date, we will appropriately publicise the opening date of the shop and advertise the range of goods that we intend to stock, opening hours and launch event details. Leaflets will be delivered to all houses in the catchment area as well as local businesses, and posters will be displayed wherever possible.

On the opening day we will hold a launch event. Local press will be invited, to gain maximum publicity.

Once the community shop is open, our marketing objectives become the promotion of the shop and its services.

As our business model is based on repeat customers, with lots of people returning to us again and again, we need to ensure that every time someone shops with us they leave having had a positive experience. This includes the environment we provide, but most importantly it is the way our staff and volunteers deal with them. Customer service will be of the highest importance. Our customers must feel confident that whatever they buy from us will be of the quality expected, and if people are not satisfied with a product, we have sold we will take it back.

We'll provide feedback forms/iPad style system in the shop to encourage customers to tell us what they think, what products we should offer and what we can do better on.

If the community shop provides a positive experience for our customers and volunteers, then we would hope that they will provide word-of-mouth publicity.

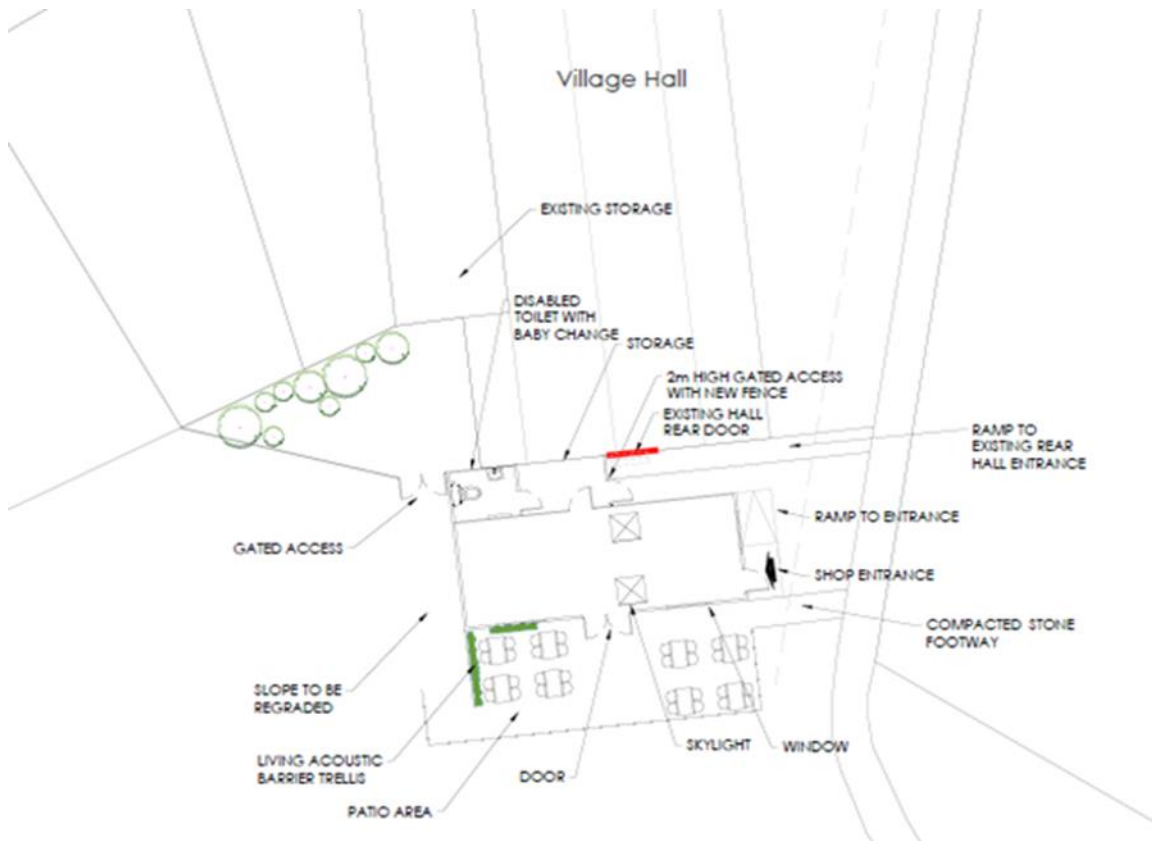
Marketing Plan:

- Brand image: a brand identity will be developed for the shop which will be used on all signage, promotional material, communications and the website.
- Website: a shop website will be developed to include details of opening hours, contact details, products and promotions. The website will also give customers the opportunity to provide feedback on what they want to see in the shop. This can also be developed to an ecommerce site at a later date.
- Data Capture: Using the shop's Wi-Fi and log in requirements we will develop a database of clients that we can market to.
- Miscellaneous marketing activities: advertising special promotions and seasonal goods on posters placed in the shop windows and newsletters distributed to our email database; selling branded re-usable cotton bags.
- Good signage: There will be prominent signage on the shop and the main Oxford Road leading to the shop and car park.
- Support for local activities: from time to time the community shop may support other groups, e.g., donation of raffle prizes in return for publicity in a programme.
- Loyalty Programme: we will introduce a shop membership club for shareholders with our own loyalty cards and member promotions and benefits;
- Founding Business shareholder/donation Advertising: for businesses becoming shareholders or making a substantial donation (whether financial or works in kind) we will offer an opportunity to have an advertisement somewhere in the shop. This will potentially allow the business to offset costs against their tax liability.
- Ongoing funding: Newcomers to the parish will be targeted with 'welcome packs' that will alert them to the shop and its services, perhaps provide them with a voucher towards their first purchases in the shop and invite them to become shareholders and/or volunteers in the shop.

12. Premises

Building /External

The plans for the building have evolved over the last 18 months due to site constraints and public consultation feedback as well as the views of the Parish Council. The current plans which are the subject of a planning application currently with Buckinghamshire Council are shown below. Also below are some illustrative external images of the building/site.





Interior

The Steering Group has visited or viewed a number of stores to gain inspiration as to the look and feel of a successful village store in a rural community. They are usually characterised by the use of open informal displays on low tables or in baskets. Apart from cigarettes and some medicines, most items will be self-service. Frozen and chilled goods will be displayed in appropriate wall units. Fresh fruit and vegetables, baked goods and artisan type products will feature prominently to achieve the farm shop look. The more day to day and household items will be displayed on wall shelving. There will also be a small coffee shop counter which will have cakes or other snacks on display.

Below are a number of photographs of village store interiors which have inspired us.







13. Environmental management

We are committed to minimising the environmental impacts of the shop, through minimising use of energy, reducing waste, and cutting resource consumption. We expect this policy to be cost neutral during start-up and that it will reduce day-to-day running costs. Below are the key ways in which we will build environmental management measures into the setting up and running of the community shop.

- Wherever possible we will source used but high-quality fixtures and fittings.
- We will specify cost-effective energy-reducing measures such as primary insulation, we will invest in energy-efficient refrigerators, chillers and lighting, and we will investigate both the sourcing of electricity from a green energy provider and the potential for renewable energy generation, such as solar panels on the roof of the containers.
- The shop will require heating and we will install energy efficient heating units to provide an appropriate work environment for our staff and volunteers.
- Insulation and double-glazed windows and doors will be installed throughout.
- We will use our purchasing power wisely so as to minimise food waste, and we will sell a range of portion sizes of fresh food to help customers to reduce their wastage as well.

- By sourcing a large percentage of goods (our aim is all) from within 30 miles of the shop we will reduce food miles, showcase local producers and by providing the goods that local residents want we will reduce car usage. We are looking to minimise food wastage by working with local charity partners and incorporating measures such as composting.
- We will reduce, re-use and recycle packaging, and we will provide collection points for recycling batteries and fluorescent light bulbs.
- We will promote our environmental policy and the measures we take to implement it so as to help customers see how they can make savings and reduce their own environmental impacts.
- It is proposed that the building will have a “green roof” and any toilet facilities will benefit from rainwater harvesting from the adjacent village hall.
- Habitat planters (bug hotels) will be incorporated into the exterior of the building. Cubs and Beavers are keen to support with this.

14. Retailing hours and staffing

Initial proposed opening hours are as follows:

Monday to Friday	8.30am to 5.30pm
Saturday	9.00am to 3.00pm
Sunday	10.00am to 2.00pm

However, these will be dependent upon the number of volunteers and will be adjusted to meet demand during the early stages of the operation of the shop.

The role of shop manager will be advertised on appropriate websites and in local media. While the community shop is becoming established it is anticipated that there will be no other paid members of staff although we will explore the possibility of a limited number of paid “Saturday” job roles for local teenagers.

Given the extent of the proposed opening hours and services, and to keep costs down, a team of trained volunteers will be required to provide support to the shop and the shop manager. From the community consultation questionnaire, we are anticipating sufficient volunteers will come forward. Volunteers will be recruited in the months leading up to and following the shop opening and a rota will be developed to suit volunteers’ requirements. For the shop to operate efficiently, volunteers will need to be able to commit on a regular basis but for short periods of time. For example, a volunteer may typically commit to working alternate Tuesday afternoons for three or four hours rather than for a full day.

Some volunteers will need to fulfil a management function and/or be trained to provide certain services (for example post office services if offered) when the shop manager is absent or otherwise occupied. A few volunteers will also be sought for standby duties, to be able to take over when a regular volunteer is unable to fulfil their shift. Volunteers will be expected to arrange a swap with another volunteer when they know in advance that they will be unable to perform a shift, to limit the management from the committee.

Draft job descriptions and person specifications for the shop manager and volunteers will be available at a later date.

The shop will be staffed throughout its opening hours by at least two people (including the shop manager whenever available). Actual staffing levels will be varied to match peaks and troughs in demand. Customer feedback, demand for longer opening hours (for instance, late closing on one or two days) and actual footfall will be reviewed regularly and, where a viable business case for change exists, opening hours and salaried staff hours/posts will be revised.

Staff and volunteers will receive an induction course in using the till system, food safety, health and safety, and age-related sales. A handbook of policies and procedures will be written. Regular refresher training will be provided and there will be monitoring and mentoring from the shop manager. New volunteers will be accompanied by another trained volunteer for the first session or two. The shop manager will report to the Management Committee and will provide weekly sales and wastage reports. Any urgent issues will be brought to the attention of the Management Committee immediately.

Having volunteers is a very visible way of demonstrating that the business is community owned and allows all those involved to feel a sense of ownership and contribution. 83% of community shops use volunteers to support the running of the business, with an average of 31 volunteers and with most volunteers working 2-4 hours per week. This model of operation has worked well in the community shops that the Steering Group has contacted.

15. Products and services

The community shop will offer the products and services that are most useful to the community, at competitive prices, and provide a market for local producers.

It will initially provide the following range of products:

- Dairy and other chilled goods;
- Frozen food;
- Grocery items (tins and packets);
- Fresh and locally sourced meat, fruit and vegetables;
- Bakery items;
- Household goods and toiletries;
- Over-the-counter medicines;
- Ice creams, sweets, snacks and cold drinks;
- Teas and Coffees and freshly made sandwiches (bought in);
- Greeting cards and stationery;
- Cigarettes;
- Wine, beer and spirits;
- Newspapers, magazines, and comics.

We are particularly keen to ensure that the shop stocks and sells fresh, locally sourced produce and will be talking to local producers with a view to promoting and selling their products through our shop.

Goods will be obtained through links with other shops and producers, from wholesale providers and other local arrangements as well as local “cash & carry” outlets for items that cannot be obtained at source.

Quantities of perishables such as fresh fruit and vegetables will need to be closely monitored to avoid wastage.

The community shop may also be able to provide a medical prescription delivery service and dry-cleaning collection service in the future and it will be an information point for residents and visitors. In addition, we are investigating the potential to provide some post office services from the shop. In any event, the shop will sell items such as envelopes and stamps, but we are looking at “partner” arrangements with the Post Office to see if any are feasible. This may need to follow as a later “stage” of the project, but the layout of the building will be designed with this possibility in mind.

16. Professional support and strategic fit

- We are grateful to have received support from the Plunkett Foundation in progressing the project to date and will continue to seek to benefit from that support where it is needed.
- Legal support will be required and obtained where necessary and not available via volunteers. For example, in relation to the property documents needed to effect arrangements with the Parish Council.
- We will need to employ the services of a chartered accountant to prepare our annual accounts. Depending on the experience and skills of the shop manager, book-keeping and monthly accounts may also be looked after by a book-keeper although we also believe there are volunteers in the village who will be prepared to offer such services.

17. Financial projections & Costings

Forecasts for the first 5 years of trading have been produced having regard to cost figures obtained from existing community shop operations and applying assumptions of turnover based on the Plunkett Foundation data for average turnover of community shops in the UK (per square metre) plus making an allowance for additional income from the coffee shop element of the operation. Through this exercise, it has been calculated that the minimum internal area needed for the shop to be viable is 44 square metres although we are aware of other local examples of community shops trading profitably from smaller premises than this. At approximately 56 square metres, the proposed premises are therefore considered suitable and appropriate to enable a viable shop operation. It should also be noted that the small coffee shop counter, coupled with a good level of outdoor seating on the adjacent patio area provides genuine potential for supplemental turnover in excess of the average “shop” turnover figure. As such, the projections are considered by the Management Committee to be conservative and robust as a basis for moving forward.

Start-up costs

The figure we will be targeting through the share issue and other fund-raising activities is between £70,000 and £90,000. We were targeting £30,000 of those funds through the share issue. In fact, this has raised £47,300 but there obviously remains a significant sum still to be raised via grant funding applications before the project can proceed. This is therefore the current focus of our efforts.

The total estimated cost of starting up the new business is £85,965 although the Management Committee is

of the view that the project could adjusted to proceed with less than this if certain services are provided free of charge or necessary adjustments are made to the plans. This comprises the following costs (excluding VAT):

Utilities & Services provision	£1,000
Building	£50,595
Fit-out and decoration	£20,970
EPOS & IT	£1,230
Legal and professional fees	£2,500
Publicity and other marketing materials	£1,380
Staff recruitment and training costs	£240
Initial stock	£7,500
Incorporation costs	£550
Total	£85,965

It is anticipated that through voluntary contributions or sponsorship from local businesses/residents some of these costs can be significantly reduced (e.g. the cost of the building and fit-out in particular) but there may also be other unforeseen costs as the project progresses so these figures will be kept under continuous review.

Fundraising strategy

The start-up costs will be met by share sales, donations and loans (from residents, other supporters, businesses and organisations) and grants. Over 50% of the start-up costs have now been secured from the share issue and it is hoped that the balance can be secured through grants. Loan finance will only be used if sufficient capital cannot be raised from the other sources.

Interest may be paid on the original value of shares as trading conditions allow. This will be at the discretion of the Management Committee and must be funded from trading profits, after first considering the long-term interest of the business, the need to maintain prudent reserves and the CBS's commitment to community benefit.

Donations & Business Sponsorship

Donations can be sent as cash or cheques. It is anticipated that businesses will also be able to make donations or to offer services or works in kind to the project in return for acknowledgement and suitable advertising/publicity. Further details of options for businesses will be published as part of the fund raising.

Loans

Interest-free loans from members of the community can be negotiated, subject to approval by the Management Committee.

Grant funding

Grant applications will be submitted in early 2022. Through an analysis of the grant funding sources available we have identified 8-10 potential grant applications which we believe could provide grant funding in a realistic time frame. We hope to obtain grant funding of between £40,000 and £50,000 from these sources.

Bank loan

Ideally, we will raise all necessary funding through shares, donations and grants so as to avoid having to take out a loan from a financial institution which would incur interest charges. We would only consider taking out a bank loan if we had exhausted all other funding streams, including interest-free loans, and have strong, volunteer commitment.

18. Exit strategy

If, by the end of August 2022, we have failed to secure sufficient funding and/or volunteer support to open the community shop and we have no realistic prospect of imminently doing so we will inform the Oakley Parish Council that we will not be in a position to develop the shop concept. In such circumstances members of the CBS will be offered a refund of their investment less a proportion reflecting any reasonably incurred administrative expenses.

If we succeed in opening the community shop but at any time in the future, it proves not to be viable:

- Any decision to close the shop will be made in consultation with shareholders, the local community, the Parish Council, Village Hall Committee and other local groups and organisations.
- Any remaining stock will be sold to other local or community shops. Fixtures and fittings and any other assets will be put up for sale.
- The premises will be cleared and returned to a useable condition. They are being designed so that they could, in such circumstances, be viably used as an annex to the Village Hall and thus put to an alternative appropriate community use.
- Funds will be used firstly to pay creditors, then to repay loans from residents, and then, if possible, refund shareholders. Any funds left will be used to support or create other community assets in the Parish. We will then dissolve the CBS.

Appendix 1– Financial Projections

The following assumptions have been made in the production of the financial projections:

- 1 The financial year end will be 31st March.
- 2 The store will open for trading June-August 2022.
- 3 The store manager will be employed on a starting salary of £24,000 and will take up the post in May 2022.
- 4 No/peppercorn ground rent will be payable to Parish Council.
- 5 Grants will make up the remainder of the start up costs not raised by share issue.
- 6 The total received from share issues is £47,100.
- 7 The write off of preliminary expenses, fixtures and fittings will be provided for at a rate of 20% per annum on the net cost after having received grants.
 - i. Currently we are writing off the full asset, but we are hoping for a grant from Community Fund
- 8 No credit will be allowed for sales.
- 9 Loyalty card details have been outlined in the prospectus and will need to be finalised
- 10 Cash flow for the cost of sales assumes that payments to suppliers will be two weeks after receipt of the invoice.
- 11 The value of stock will rise by 5% per annum after the end of the first trading period.

Trading and Profit and Loss Accounts, Cash Flow and Balance Sheet

Profit & Loss								
(feeds from cashflow)		Yr 0		Yr1	Yr2	Yr3	Yr4	Yr5
		Start up		2022/23	2023/24	2024/25	2025/26	2026/27
Sales at RRP	Cafe							
	Shop							
Discounts								
Turnover			0	101,818	191,462	184,029	191,206	199,315
Cost of Goods sold			-	76,364	- 143,596	- 138,022	- 143,404	- 149,486
Gross Profit		25.00%	-	25,455	47,865	46,007	47,801	49,829
Staff Costs			-	22,000	- 24,000	- 24,000	- 24,000	- 24,000
General Overheads/Utilities			-	9,000	- 9,000	- 9,000	- 9,000	- 9,000
Start up			-	3,420	- 1,480			
Net Profit from Trading			-	3,420	- 7,025	14,865	13,007	14,801
<i>Net Profit %</i>				-6.90%	7.76%	7.07%	7.74%	8.44%
Depreciation			-	11,563	- 16,702	- 15,417	- 15,417	- 15,417
Other income				43,885				
Net profit				40,465	- 18,588	- 1,836	- 2,410	- 616
<i>Profit bf</i>				0	40,465	21,877	20,041	17,631
<i>Profit cf</i>				40,465	21,877	20,041	17,631	17,015

Cash flow		Yr 0	Yr1	Yr2	Yr3	Yr4	Yr5
Assumes year end 31 March		Start up	2022/23	2023/24	2024/25	2025/26	2026/27
Opening Balance		0	87,565	- 4,852	11,148	23,937	38,512
<u>Cash in</u>							
Grants (Start up less share issue)		42,385					
Share issue		47,100					
Parish Council		1,500					
Turnover*		0	101,818	191,462	184,029	191,206	199,315
Total in		90,985	101,818	191,462	184,029	191,206	199,315
<u>Cash out</u>							
Start up Expenses (ex stock)		- 3,420	- 1,480				
Start up Assets			- 77,085				
Staff Costs	Salaries		- 22,000	- 24,000	- 24,000	- 24,000	- 24,000
Stock purchase		-	- 84,670	- 142,462	- 138,239	- 143,631	- 150,210
Total Overheads			- 9,000	- 9,000	- 9,000	- 9,000	- 9,000
Total Out		- 3,420	- 194,235	- 175,462	- 171,239	- 176,631	- 183,210
Net Cashflow		87,565	- 92,417	16,000	12,789	14,575	16,105
Closing Balance		87,565	- 4,852	11,148	23,937	38,512	54,617

Balance Sheet								
(feeds from cashflow)				Yr1	Yr2	Yr3	Yr4	Yr5
		Start up		2022/23	2023/24	2024/25	2025/26	2026/27
Fixed Assets								
	Tangible Fixed Assets	77,085	77,085	77,085	77,085	77,085	77,085	77,085
	Depreciation		11,563	28,265	43,682	59,099	74,516	
		77,085	65,522	48,821	33,404	17,987	2,570	
Current Assets								
	Stock	-	12,340	12,759	13,195	13,648	14,607	
	Debtors							
	Cash at Bank	87,565	4,852	11,148	23,937	38,512	54,617	
	Creditors: Falling due 1 year		4,033	5,587	5,805	6,032	6,267	
	Net Current Assets	87,565	3,455	18,320	31,327	46,129	62,957	
Total Assets Less Current Liabilities			164,650	68,977	67,141	64,731	64,115	65,527
Capital & Reserves								
	Share Capital	47,100	47,100	47,100	47,100	47,100	47,100	47,100
	Profit & Loss	40,465	21,877	20,041	17,631	17,015	18,427	
Members Funds			87,565	68,977	67,141	64,731	64,115	65,527

Appendix 2 – Project Timetable/Action Plan

Action / task	Start	Finish
Form Community Group to assess feasibility	COMPLETED	
Draft Business Plan	COMPLETED	Ongoing
Present proposals to Parish Council for approval in principle to proceed with next phase		2 nd March 2021
Set up Community Benefit Society and Register for VAT	March 2021	Prior to Opening
Produce visuals and plans for proposed building	February 2021	February 2022
Logo and Brand Designed	COMPLETED	
Further public consultation ahead of planning application	COMPLETED	
Draft and finalise share prospectus	COMPLETED	
Community Share Issue	COMPLETED	
Grant Funding Applications Progressed	January 2022	May 2022
Planning Application Submitted and Determined	February 2022	April/May 2022
Research IT & operating systems	End March 2022	End April 2022
Draw up job descriptions, policies, etc	April 2022	May 2022
Research product lines and RRP/margin	March 2022	April 2022
Identify contractors	October 2021	February 2022
Recruit and train volunteers	April 2022	June 2022
Building Construction (subject to planning)	July 2022	September/October 2022
Shopfitting		-
Advertise for, interview and recruit manager	July 2022	Store opening
Develop Training/Operations Manual Document	July 2022	Ongoing
Buy stock	Once shop under construction	June/July 2022
Launch event for shop opening		September/October 2022
1st Annual Members' Meeting		July 2022