

2019/2020 Community Fund: Interim Assessment Form

Locality: Cheviot

Ref. No.: CF1920/CHE/7

Organisation Name: Morebattle Community Shop Ltd

Funding Requested: £10,000

ABOUT THE GROUP			
Organisation Structure	Co-operative & Community Benefit Society		
Annual Accounts Balance	£60,099, Bank Balance as at 1 st July 2019 £43,475.47		
<p>Are any funds ring-fenced, if so why & how much?</p> <p>Fledgling business, trading has not yet become sustainable although ahead of working projections. Cashflow forecasts provided for year 2 trading, with the addition of the rental income the business is expected to breakeven in July 2020.</p> <p>The reserves policy is to maintain 1/3 of the raised share capital circa £21,000.</p> <p>Working capital required for cashflow, trading losses and to maintain the reserved level of shareholders capital. Detailed amounts provided.</p>			
<p>Has the applicant successfully applied for SBC funding within the last three years?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>			
Fund	Financial Year	Amount (£)	What used for?

ABOUT THE PROJECT	
Project Brief	<p>Improvement and upgrade of Morebattle Community Shop, including installation of safety flooring, redecoration to interior of shop, roof flashings as well as the substantial improvements to the rental flat. The rental flat will diversify the income of the community shop and help ensure a steady income thereby reducing the impact of shop trading fluctuations and help ensure the shop's long term sustainability</p>

		<p>The Community Shop currently offers a range of much needed services to the local community. There is an outreach Post Office available in the shop on a Monday and Tuesday morning. This is an invaluable service for the village in that it offers most of the services of a bank and people can get their pensions. The shop provides services from Newsagents, General Groceries, Fresh Produce, Bakery products, Home and Pet care products, residents are able to use the shop to do a daily or weekly shop. The Shop is also on the St Cuthbert's Way and has a hot drinks machine and serves sandwiches and wraps that can be consumed in the recently updated rear garden where we have provided a seating area and meeting point.</p>	
Project Start Date: DD/MM/YY		November 2019	
Total Expenditure (£)		£11,192	
Community Fund Request (£)		£10,000	
10% Match-funding		£1,192	
Any Other Contribution?			
Other Funding Sources		Amount (£)	At what stage?
Community Fund Outcomes	<input checked="" type="checkbox"/> Communities have more access to better quality local services or activities <input type="checkbox"/> Communities have more access to a better quality environment <input type="checkbox"/> Communities have more pride in their community <input type="checkbox"/> Communities have more access to better quality advice and information <input type="checkbox"/> More local groups or services are better supported to recover from financial difficulty		

ASSESSMENT	
<p>What need/demand has been evidenced for this project/activity?</p>	<p>The community shop is a fledging business, having been purchased by the community in late 2018. The shop is the life blood of the village providing much needed community services given the village's remote location and limited public transport links.</p> <p>The community have been integral to the development of the shop.</p> <p>The community via the Management committee have acknowledged the need to upgrade and repair the interior of the shop, exterior roof repairs. Subject to upgrading of the first floor 1</p>

	<p>bedroom flat, a letting agent has confirmed the potential rental yield.</p>
<p>What benefits will be gained from the project/activity and how well does the project/activity meet the outcomes of the scheme?</p>	<p>The funding seeks to enhance the attractiveness and profitability of the shop so that it can benefit the community long term.</p> <p>Improve the letting potential of the upper floor flat therefore increasing income potential circa £3,600-£4,200 per annum. This income providing resilience against fluctuations in trading and overall improve future sustainability.</p>
<p>What support and involvement of the wider community is there for this project/activity?</p>	<p>The Community shop was established as a direct result of the support from the Morebattle community and from 3 public meetings held in the village.</p> <p>Funding was raised partially from a community share offering, from which 2,520 shares were issued to 209 members of the local community. These funds are essentially being used to support the renovation and providing working capital for the shop's operation.</p> <p>Currently the shop has a footfall of approximately 650 customers per week.</p>
<p>What efforts have been made by the applicant to secure other sources of funding for the project/activity?</p>	<p>The group have been successful in raising significant funds through share capital. Additionally the purchase of the shop was supported by the Scottish Land Fund.</p>
<p>What happens at the end of the project/activity or when the funding is spent?</p>	<p>The shop has projected to break even within one year of trading. Currently the trading position has been stronger than originally anticipated, however this has mainly been through the summer months where there has been a level of tourist spend and no significant bad weather. There remains some uncertainty as to full year trading position.</p> <p>The management board's intentions are to run the business to make enough annual profit to maintain and improve the facilities and to maintain shareholder's funds. Salaried staffing levels are being kept to a minimum with a part time manager 18hrs per week and an assistant on 30hrs. Opening times of the shop have been increased through volunteer support.</p> <p>The shop is fully owned by the community and should there be a need/desire to sell any aspect of the property, then due to previous investment from Scottish Land Fund their terms and conditions dictate that funds from any sale must be reinvested into a similar community enterprise/project.</p>
<p>Quotes received for items of expenditure</p>	<p>Yes, quotes for all elements of the work contained within the application.</p>
<p>Have appropriate permissions been sought/granted?</p>	<p>Not Applicable – premises owned by applicant.</p>

SBC OFFICER RECOMMENDATION

Recommend to approve to the value of £10,000.

Additional Terms and Conditions:

Detail